

**PREMIUM FINANCE AGREEMENT AND DISCLOSURE STATEMENT**

Guardian Premium Finance, LLC  
 HEREINAFTER CALLED THE PFC.  
 710 N. 2nd St Ste 300N, P.O. Box 8913  
 St. Louis MO 63101 (314) 421-3637

Account No.	Please Circle Appropriate	
	Personal Commercial Add'l Premium	Monthly Bill Coupons

<b>Borrower: Name and Address ( as Stated in Policy )</b>	<b>Producer: Name and Place of Business</b>
SAMPLE INSURED 1 MAIN ST ANYTOWN KY 12345 PHONE: (555) 555-1212	Sample Agency PO Box 100 Anytown KY 55555 PHONE: (800) 555-1212

<b>1. TOTAL PREMIUMS</b>	<b>2. DOWN PAYMENT</b>	<b>3. AMOUNT FINANCED</b> Amount of credit provided you or on your behalf.	<b>4. FINANCE CHARGE</b> The dollar amount the credit will cost you.	<b>5. TOTAL OF PAYMENTS</b> Amount you will have paid after you have made all payments.	<b>6. TOTAL SALE PRICE</b> The total cost of your purchase on credit, including down payment.	<b>7. ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate.
\$ 10,000.00	\$ 2,500.00	\$ 7,500.00	\$ 508.47	\$ 8,008.47	\$ 10,508.47	15.99

ITEMIZATION OF AMOUNT FINANCED: The Amount Financed (Box 3) consists entirely of the amount of credit that will be paid on your behalf for the policies listed in the Schedule of Policies.	Any payment in arrears or due in 10 days must accompany.	YOUR PAYMENT SCHEDULE WILL BE: >	<b>8. AMOUNT OF EACH PAYMENT</b>	<b>9. NUMBER OF MONTHLY PAYMENTS</b>	<b>10. PAYMENTS DUE BEGINNING</b>
			\$ 889.83	9	02-01-2008

**SECURITY:** You are giving a security interest in the policy(ies) listed below.  
**LATE CHARGE:** See \* Below.  
**PREPAYMENT:** If you pay off early, you may be entitled to a refund of part of the finance charge. See \*\* Below.  
**CONTRACT REFERENCE:** See the agreement for more information about nonpayment, default, any required repayment in full before the scheduled date,

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**SCHEDULE OF POLICIES**

POLICY NUMBER	INCEPTION DATE	NAME OF INSURANCE COMPANY AND ADDRESS OF ISSUING OFFICE OR OF POLICY ISSUING AGENT	COVERAGE TYPE	SUBJECT TO AUDIT	TERM MONTHS	PREMIUM AMOUNT
TBD	01-01-2008	AAA Insurance P.O. Box 3985 Dublin OH 68172-0034	AUTO LIAB	N	12	10,000.00

\*If payment is in default 5 days or more after the payment due date, Borrower agrees to pay to the PFC a late charge of 5.0% of the delinquent installment of the delinquent installment.  
 \*\* The refund credit shall be computed according to the Rule of 78's after first deducting a fully earned, non-refundable charge of \$15.00.  
 If the refund credit is less than \$1.00, no refund shall be made. See #6 Prepayment.  
 The laws of the State of Kentucky will govern this agreement. See #15 Governing Law.

NOTICE: DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACE. 2. YOU ARE ENTITLED TO A COMPLETE FILLED-IN COPY OF THIS AGREEMENT. 3. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT DUE AND UNDER CERTAIN CONDITIONS TO OBTAIN A PARTIAL REFUND OF THE FINANCE CHARGE. 4. ALL CONDITIONS APPEARING ON THE FACE(S) OR ADDITIONAL PROVISIONS PAGE OF THIS AGREEMENT ARE PART OF THIS AGREEMENT. 5. EACH POLICY LISTED ABOVE MAY BE CANCELLED IF YOU DO NOT MAKE ALL PAYMENTS IN ACCORDANCE WITH THIS AGREEMENT.

**SIGNATURE OF BORROWER(IF CORPORATION, TITLE OF OFFICER SIGNING)**

X

Date

**Insurance Agent's/Brokers Statement:** I have read, understand and agree to the provisions set forth as the Insurance Agent's/Brokers Warranty.

X \_\_\_\_\_  
 Print Name of Agent

X \_\_\_\_\_  
 SIGNATURE OF AGENT / SUB AGENT

Date \_\_\_\_\_

PFA-KY-1207

## ADDITIONAL PROVISIONS OF YOUR PREMIUM FINANCE AGREEMENT

- 1. PROMISE TO PAY:** In consideration of the premium payments to be made by the PFC to the named insurance companies or the named Agent or Sub Agent, Borrower (jointly and severally, if more than one Borrower) promises to pay the PFC, at the address shown or such other address as PFC shall specify in writing, the Total of Payments stated in Box "5" according to the Payment Schedule agreed to and the provisions of this Agreement.
- 2. SECURITY INTEREST:** Borrower gives the PFC a security interest in, and assigns to the PFC as security for any amount due under this agreement any and all unearned premiums which may be payable under the insurance policies listed in the Schedule of Policies, loss payments which reduce the unearned premiums, and any interest arising under a state guarantee fund relating to these items.
- 3. POWER OF ATTORNEY:** Borrower irrevocably appoints the PFC as its Attorney-in-Fact with complete authority to cancel the policies, to demand, collect, sue for, receive and give receipt for all sums assigned above to the PFC, and to execute and deliver on Borrower's behalf all documents, forms, and notices relating to the policies in furtherance of this Agreement. Any money received as Attorney-in-Fact shall be subtracted from any amount owed to the PFC by Borrower, and if there is a surplus, it shall be paid to Borrower if it is greater than \$1.00.
- 4. FINANCE CHARGE:** The Finance Charge shown in Box "4" begins to accrue on the earliest policy inception date listed on this Agreement.
- 5. DEFAULT AND CANCELLATION:** Borrower agrees that the PFC may cancel any policy and the unpaid balance owed will be due and payable to the PFC if any one or more of the following (a or b) occur:
  - (a) Borrower defaults in the payment of any installment payment due which is not cured within 5 days;
  - (b) Borrower does not comply with any term or condition of this Agreement;
  - (c) In the event of a policy cancellation, the insurance company is authorized and instructed to issue checks solely to the PFC;
  - (d) Any payments received by the PFC after cancellation shall be credited to Borrower's account without waiver by the PFC of any default. If a deficiency remains, Borrower agrees to pay the amount of such deficiency to the PFC at the contract rate of interest or maximum rate permitted by state law, whichever is less until it is paid in full, or until such other date as is required by applicable state law. A deficiency of \$5.00 or less will be waived by the PFC. The PFC may, at its option, collect and enforce the payment of any amount owed by the Borrower without recourse to the security assigned to the PFC.
- 6. PREPAYMENT:** Borrower has the right to prepay the entire outstanding balance in full at any time before the due date of the final payment. Upon prepayment in full, Borrower may be entitled to receive a refund credit of the finance charge to be computed by the Rule of 78's.
- 7. PAYMENTS AFTER CANCELLATION:** If the PFC receives any payments from Borrower after cancellation procedures have been initiated or effected, the PFC may attempt to stop cancellation or to reinstate the cancelled policy, but the PFC is under no obligation to make such attempts, and does not guarantee that if such attempts are made, they will be successful. All payments made after cancellation will be applied by the PFC to the Borrower's outstanding indebtedness. Borrower agrees that PFC is not responsible for and cannot control insurance coverage. The PFC will not be responsible for any claims which arise under such policy after the effective date of cancellation.
- 8. BORROWER'S REPRESENTATIONS:** Borrower represents that the policies or binders listed above have been issued and are in full force and effect. Borrower also represents that, except for the interests of mortgagees and loss payees, no interest in the policies, including a security interest in unearned premiums, loss payments which reduce the unearned premiums and any unearned premiums under a state guarantee fund, has been or will be granted or assigned.
- 9. ADDITIONAL PREMIUMS AND AUDITS:** Money paid by the PFC is only for the premium as determined at the time the insurance policy is issued. The PFC payment shall not be applied by the insurance company to repay any additional premiums which become due. Borrower agrees to pay insurer any additional premiums which become due for any reason. The PFC may assign to the insurance company any rights it has against the insured for premiums due the company in excess of the premiums returned to the PFC.
- 10. ACCURACY:** The premium finance company is authorized to correct any obvious error in this agreement. The premium finance company will give borrower written notice of any such correction made. In addition, the borrower will be given written notice and an opportunity to disaffirm changes made to any material terms in the premium finance agreement.
- 11. AGENCY:** The Agent or Sub Agent named is the Borrower's agent and not an agent of the PFC. The PFC is not legally bound by any representation, oral, or written, made by the Agent or Sub Agent to Borrower. The PFC is not an agent of any insurer and will not be responsible for any act, error, or omission of an insurer.
- 12. ASSIGNMENT:** All of the PFC's right under this Agreement shall inure to its successors and assigns.
- 13. EFFECTIVE DATE:** This Agreement becomes a binding contract when the PFC accepts it and mails its written acceptance to Borrower.
- 14. WAIVER:** The PFC's failure to require strict performance of any provision or to exercise any of its rights under this Agreement shall not be construed as a waiver, or relinquishment of any future right under such provision, but the provision shall continue and remain in full force and effect.
- 15. ENTIRE DOCUMENT AND GOVERNING LAW:** This document is the entire agreement between the PFC and Borrower and can only be changed by a writing signed by both parties. If any provision of this Agreement is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be impaired.

### **INSURANCE AGENT'S/BROKER'S WARRANTY:**

For Valuable consideration as Agent/Broker I represent that: 1. the Borrower's signature is genuine; 2. the Borrower has received a copy of this agreement and has been fully informed of its terms and conditions; 3. the policies are in full force and effect and the premiums are correct; 4. I will hold in trust for the PFC any unearned premium payments made or credited to the insured directly or indirectly through the agent by the insurance companies, and will pay those monies to the PFC upon demand to be applied to the outstanding indebtedness of the Borrower; 5. any lien I may have or may acquire on any return premium arising out of the financed policies is subordinated to the PFC's lien or security interest therein; 6. all of the policies in this agreement are cancelable using standard short rate or pro-rata tables except as noted in the Schedule of Policies; 7. I have notified the PFC of any policies that are subject to the policy premium being fully earned in the event of loss, and have notified the insurer and the insured that the PFC is to be named as a loss payee on any such policy; 8. the policies comply with the PFC's eligibility requirements; 9. the indicated down payment has been collected from the Borrower; 10. in the Schedule of Policies section I have noted those policies which have premiums subject to adjustment by audit, fully or partially earned premiums or any other situation which would make the return premium indefinite; 11. the deposit or provisional premium for an auditable policy is not less than the premium that would be earned for the full term of the policy; 12. the Borrower is not now in, or is not instituting or proceeding in bankruptcy, receivership or insolvency; 13. I agree to abide by and be responsible for all terms and responsibilities connected with the Warranty.