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Telephone (800) 452-8505 Facsimile (800) 209-0120
<http://www.lgpf.net> / info@lgpf.net

Underwriting Guidelines for Premium Financing

1. Eligibility

All policies of fire and casualty companies admitted in the State the agent resides are acceptable for financing. Non-Admitted carriers may be financed with approval from LG Premium Finance ("LGPF"). For policies requiring more than 10 days but, not more than 30 days notice of cancellation, an additional 10% down payment must be collected and stated on the application. **NO FULLY EARNED PREMIUMS MAY BE FINANCED. UNTIL A SIGNED FINANCE AGREEMENT OF THE POLICY IS RECEIVED, FUNDS WILL NOT BE RELEASED.** The producer shall provide to LGPF a copy of the signed Finance Agreement of the policy (ies) being financed. The AGENT MUST FAX the SIGNED FINANCE AGREEMENT TO (800) 209-0120.

2. Down Payments and Number of Payments

The Down Payment may not be less than any minimum earned premium, plus any taxes and fees. The default numbers of payments are 9. Please contact us at (800) 452-8505 if the down payment amount and/or number of payments need to be adjusted.

3. First Due Date

The first payment due date is normally 30 days from the effective date of the policy. The LGPF Quotes software will calculate the first due date.

4. Policy Fees, Broker Fees, Inspection Fee, Filing Fees, and Tax/Stamp Fee

Policy Fees, Broker Fees, Inspection Fee, and Filing Fees may not be financed and must be input properly in the LGPF Quotes Software.

5. Payment of Installments

- A. Installments, which have matured prior to LGPF's receipt of the premium finance agreement, or installments due within 10 days, must be sent in with the installment notice.
- B. The borrower is to remit all installments to LGPF. The monthly payment must be remitted to the office of LGPF, at the address shown on the borrower's premium finance agreement or payment coupon book. Payments are not credited to the borrower's account until received by LGPF in California.

6. Payment of Premiums

LGPF will pay the premium on approved loans, to the insurance company, or its Managing General Agent. Payment to the producer can be made only upon authorization by the insurance company or managing general agency that the producer is to receive premiums on its behalf. Such authorization must be made in writing to LGPF by the Managing General Agent or Insurance Company.

7. Additional Premiums

The LGPF Quotes Software will calculate the required Down Payment to finance an Additional Premium. The Agent must input the initial Effective Policy Date as the EFFECTIVE DATE OF THE ORIGINAL POLICY. For an endorsement incurring an additional premium, the producer may either collect the full additional amount from the insured and pay it to the insurance company or add it to the existing loan obligation less the correct additional down payment. Additional premiums cannot be financed unless the original premium was financed by LGPF and the loan is current. Amounts of \$50 or less may not be financed.

25 % DOWN PAYMENT REQUIRED ON LOANS FOR ADDITIONAL PREMIUMS/ENDORSEMENT.



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If the producer is unsuccessful in obtaining the full additional premium or the required down payment, he must notify the insurance carrier in sufficient time that the additional premium is not considered earned in part. LGPF is not responsible for earned premiums developed as a result of an additional premium not financed through LGPF. New policies may not be added to existing obligations. A new, signed premium finance agreement must be submitted accompanied by a down payment.

8. Return Premium Endorsements

For policies that come back lower than quoted, or there is a return premium endorsement, LGPF will apply any return premium to loan balance thereby reducing the loan balance. The amount of each monthly payment will not be re-calculated. The insured must continue making the original payments until the adjusted balance is paid off.

9. Return Premiums

All return premiums resulting from an endorsement or cancellation are assigned to, and must be paid to LGPF. Endorsements developing return premiums will be applied to the account. Return premiums resulting from cancellation will be applied to the account and any excess will be refunded to the borrower by check sent to the borrower. Return premiums received by a producer, either by check or by credit to an account current statement, must be forwarded promptly to LGPF; otherwise the borrower may be liable for additional interest charges. The producer must remit the unearned commission directly to LGPF unless the insurance carrier has requested the agent remit the unearned commission to the carrier.

10. Transfer of Policy

LGPF will not permit the transfer of insurance policies to a new insured unless the unpaid balance to LGPF is paid or the new insured signs a new Finance Agreement.

11. Delinquency and Cancellation

The borrower and the producer are simultaneously notified in the event of delinquency. Any effort by the producer in contacting the borrower in an attempt to cure the delinquency is appreciated and encouraged. An uncured delinquency will result in cancellation of the borrower's policy (ies). All unearned premiums are assigned to LGPF.

12. General Information

The producer understands that the submission of business to LGPF, and the acceptance of business or monthly payments from the producer, does not make the producer an employee or agent of LGPF and does not grant to the producer the right to bind LGPF or transact its business in any way. LGPF only gives the producer the right to submit business subject to the terms of our Underwriting Guidelines and or Procedures. It is further understood that no loan shall be binding on LGPF until the loan is accepted by LGPF. Multiple policies with common effective dates should be submitted as one loan.

13. Agent/Broker Warranty

Producer's name must appear in the agent/broker warranty section of the premium finance agreement. By submitting this document the insurance Agent or Broker warrants and certifies that: The amount on the "less down payment" line has been collected from the applicant; All persons named in the policy(ies) have signed this application, or have given written authority to the producer to sign on their behalf, and are over the age of 18; The policy(ies) issued is (are) in full force and effect or application for any policy not now issued has been made and mailed to the respective insurance company or insurance assignment plan; The information set forth in the document is true and correct; A completed copy of the Finance Agreement has been presented to the applicant;



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None of the policies contain provisions which prohibit cancellation by the insured or the company within 10 days except as indicated; Insertion of producer's name is deemed a signature.

14. Changes to these Underwriting Guidelines for Premium Financing

LGPF may update this Underwriting Guidelines for Premium Financing. We will notify you about significant changes in the way we treat personal information by sending a notice to the primary email address specified in your Agency Profile account or by placing a prominent notice on our site.

ANY TIME YOU HAVE A QUESTION, PLEASE FEEL FREE TO CONTACT LGPF AT (800) 452-8505.