

Application Number: _____

CEM INSURANCE COMPANY

21805 Field Parkway
Suite 320
Deer Park, IL 60010
Phone 847.307.6300
Fax 847.307.6399
www.cemic.com

TEXAS MOTOR VEHICLE DEALER'S BOND APPLICATION

PLEASE PRINT OR TYPE (complete for all owners)

Business or Corporate Name (exactly as it appears on your license) _____

Business Address: _____

Telephone No. _____

Address (Line 2) _____

Fax No. _____

City _____

State _____

Zip Code _____

Number of Years in This Business _____

Number of Years Licensed _____

(Select One)

Individual _____

Partnership _____

Corporation _____

Limited Liability Company _____

Limited Liability Partnership _____

Other _____

Type of Bond Requested _____

Amount of Bond \$ _____

Effective Date _____

License No. _____

OWNERSHIP INFORMATION

Provide the following information for each owner or stockholder, including yourself (use additional sheet if necessary).
All owners must sign this application. Changes of ownership must be reported immediately.

Name _____

Social Security Number _____

Home Address _____

Telephone Number _____

City _____

State _____

Zip Code _____

% Ownership _____

Does Applicant/Owner own real estate? ___ Yes ___ No

Name _____

Social Security Number _____

Home Address _____

Telephone Number _____

City _____

State _____

Zip Code _____

% Ownership _____

Does Applicant/Owner own real estate? ___ Yes ___ No

Name _____

Social Security Number _____

Home Address _____

Telephone Number _____

City _____

State _____

Zip Code _____

% Ownership _____

Does Applicant/Owner own real estate? ___ Yes ___ No

AGENT INFORMATION

Agency Name _____

Phone _____

Address _____

Fax _____

City _____

State _____

Zip _____

INDEMNITY AGREEMENT

The undersigned hereby declares the truth of the representations herein, and that they are made to induce CEM INSURANCE COMPANY ("Company") to issue the Bond(s) applied for. The undersigned agrees that the Company may decline the Bond(s) applied for or may cancel or terminate same without incurring any liability whatsoever to the undersigned. In consideration of the issuance of the Bond(s) herein applied for, or any increase or extension of time of the said Bond(s), the undersigned and jointly and severally agree(s):

- 1) To hereby authorized the Company to make such pertinent inquiry as may be necessary from financial institution, persons, firms and corporations in order to confirm and verify information referred to or stated herein;
- 2) To pay to the Company the agreed premium upon application of the Bond(s) an annually in advance thereafter;
- 3) To furnish the Company with satisfactory and conclusive termination evidence that there is no further liability on the Bond(s);
- 4) To completely INDEMNIFY the Company from and against any liability, loss, cost, attorneys' fees and expenses whatsoever which the Company shall at any time sustain as surety or by reason of having been surety on this bond or any other bond issued for applicant, or for the enforcement of this agreement, or in obtaining a release or evidence of termination under such bonds; regardless of whether such liability, loss, costs, damages, attorney's fees and expenses are caused, or alleged to be caused, by the negligence of the Company;
- 5) Upon demand by the Company for any reason whatsoever, to deposit current funds with the Company in an amount sufficient to satisfy any claim against the Company by reason of such suretyship;
- 6) That the Company shall have the right to handle or settle any claim or suit in good faith, unless the undersigned shall in writing request the Company to litigate such claim and shall deposit immediately with Company collateral satisfactory to the Company in kind and amount. An itemized statement or loss and expense incurred by the Company sworn to by an officer of the Company, shall be prima facie evidence of the fact and extent of the liability of the undersigned to the Company;
- 7) That the Company may decline to become surety on any bond and may cancel or amend any bond without cause and without any liability which might arise therefrom;
- 8) That the Company shall, without notice, have the right to alter the penalty, terms and conditions of any bond issued for the undersigned, and this agreement shall apply to any such altered bond;
- 9) At the Company's discretion, this indemnity agreement shall be governed by the laws of the State of Texas and the undersigned applicant and indemnitors consent to the jurisdiction of the courts of the state of Texas and the United States District Court for the District of Texas in all actions or proceedings arising from or relating to this indemnity agreement;
- 10) That this indemnity may be cancelled as to subsequent liability by an indemnitor upon written notice to the Company, effective ten (10) days after the earliest date thereafter upon which the Company could have cancelled all bonds in force for applicant.
- 11) In the event of any payment by the Company, to pay the Company interest on such amounts at the highest legal rate from the date such payments are made.

Signed this _____ day of _____, _____

Name of Dealership

By _____
Applicant's Signature (Owner, Officer or Partner)

**ADDITIONAL INDEMNITY
(ALL OWNERS MUST ALSO SIGN PERSONAL INDEMNITY BELOW)**

In considerations of executing the Bond(s) applied for by Applicant, the undersigned, now referred to as Indemnitor(s), acknowledge(s) that the above Indemnity Agreement has been read and the Indemnitor(s) is(are) aware of the contents of the Indemnity Agreement. The Indemnitor(s) agree(s) to be bound by the Indemnity Agreement to the same extent as the Applicant. This obligation imposes individual liability on the Indemnitor(s) as well as joint liability with the Applicant. The Indemnitor(s) has(have) sufficient interest in the performance of this obligation to execute this agreement and is(are) fully empowered to exercise this agreement.

Indemnitor

Indemnitor

Indemnitor

Indemnitor