



Supplemental Application & Policyholder Agreement

Applicant DBA Name:

Agency:

Legal Name:

Effective Date:

<p>Special Payment Plans* The following payment plans may be used:</p> <p><input type="checkbox"/> Annual Pay <input type="checkbox"/> Monthly Installment <input type="checkbox"/> Monthly Self Reporting</p>	<p>Prompt Pay Discount Schedule* The following premium discounts will apply</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Premium</th> <th style="text-align: left; border-bottom: 1px solid black;">Discount</th> </tr> </thead> <tbody> <tr> <td>First \$5,000</td> <td>0%</td> </tr> <tr> <td>Next \$95,000</td> <td>2.0%</td> </tr> <tr> <td>Over \$400,000</td> <td>4.0%</td> </tr> </tbody> </table>	Premium	Discount	First \$5,000	0%	Next \$95,000	2.0%	Over \$400,000	4.0%
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Deductible Program & Guidelines

Small Deductible \$500 \$1,000 \$1,500 \$2,000 \$2,500

Medium Deductible \$5,000 \$10,000 \$25,000 other _____

- Minimum Manual Premium - \$5,000 Annual
- Maximum deductible amount = 10% of manual premium
- Selection based on individual risk characteristics
- Subjection to financial review and security

Statement and Affidavit: The captive insurance company is not subject to all of the insurance laws and regulations of the State of Georgia. Georgia Insurers Insolvency Pool protection is available to the policyholders of this captive insurance company effective January 1, 2008.

I, the undersigned, hereby certify that I have read and understand this statement and the terms of the Policyholder Agreement. This document must be signed by an office, director, principle or partner of the business entity.

Member (Insured) Signature	Producer Signature
Print Name and Title	Print Name
Date	Date

UNITED BUSINESS INSURANCE COMPANY (A MUTUAL CAPTIVE)

Policyholder Agreement

THIS POLICYHOLDER AGREEMENT (the "Agreement") is made as of _____, by and between United Business Insurance Company (A Mutual Captive), a Georgia mutual association captive insurance company (the "Company"), and the undersigned employer located in the State of Georgia (the "Member"). In consideration of the mutual covenants and premises herein contained, the Company and the Member hereby agree as follows:

1. Scope and Term. The Company, or, at the direction of the Company, the administrator or manager of the Company's insurance program(s), shall provide the Member with risk management services and insurance coverage(s) pursuant to any policy or policies of insurance between the Member and the Company. In consideration of such services and coverage, the Member shall pay the premiums and make or maintain the capital contributions as provided under this Agreement, and any policies and shall comply with all applicable rules, regulations, policies and procedures of the Company. This Agreement shall commence on the date hereof and continue in force from said date until terminated in accordance with this Agreement.

2. Representations, Covenants and Warranties. The Member represents, warrants, covenants and acknowledges as follows: that it is duly organized, validly existing and in good standing under the laws of the State of Georgia; that it has the full power and authority to carry on its business in the places and as it is now being conducted; that it has the capacity and authority to execute and deliver this Agreement and to perform its obligations hereunder; that it has taken all requisite actions to authorize the execution, delivery and performance of this Agreement; as of the date hereof, and continuously throughout the term of this Agreement, that it is and will remain a member in good standing of the Company's designated association (the "Association"); that it will abide by the Bylaws of the Company in effect from time to time and any other rules, regulations, policies and procedures adopted by the Company; that the Member shall furnish to the Company prior to the date on which coverage is to be provided an annual estimated payroll by job classification; that this estimate shall be adjusted annually at the end of each policy year to reflect the actual payroll on the books of the Member from time to time during the policy year; that the Company shall have the right to conduct an annual audit, or cause its designee to conduct an annual audit, of the payroll records of the Member, at the expense of the Company, and that the Member hereby agrees to submit to such annual audit when requested to do so by the Company; and that the Member will comply with all terms and conditions of any policy issued by the Company to the Member.

3. Premiums. The Member shall pay to the Company all premium obligations due for each policy year. The Member understands that interim rate adjustments to premium may be required and agrees to pay any resulting additional premiums. The Member also shall pay, promptly upon receipt of an invoice from the Company, any additional premium resulting from the annual adjustment of payroll and payroll classification in accordance with Section 2 above. The Member authorizes, and will execute any necessary authorization forms to permit, the Company or its designee to obtain information and data required in determining the experience modification factor for the Member; and the Member authorizes the Company or its designee to file with the appropriate authorities loss and payroll data pertaining to the Member to be used in developing the Member's experience modification factor. In the event that the Member fails to pay any premium when due, the Company shall have the right (i) to seek all appropriate equitable or monetary relief, including without limitation the right of set-off against any amount owed by the Company hereunder, (ii) to collect by all lawful means the amount of premium owed, together with interest, compounded monthly, at the maximum legal rate, and all costs, including attorney's fees, incurred in connection with efforts to collect the premium, and (iii) to cancel the policy in accordance with its terms.

4. Contribution to Capital/Surplus Note Provisions. In accordance with the Company's premium payment plans, the Member hereby agrees to maintain as surplus with the Company, or contribute to the surplus of the Company, as the case may be, an amount equal to twenty-five percent (25%) of its normal anticipated annual premium, or such other amount as may be agreed between the Company and the Member (the "Surplus Contribution"), in accordance with the surplus note provisions attached hereto as Schedule A and incorporated herein.

5. Appointment of Proxy. The Member hereby appoints and grants to the Secretary, and in his or her absence, the Vice President, and in his or her absence, the Treasurer, and in his or her absence, the President of the company, its revocable proxy to vote its membership interest at any annual or special meeting of the members at which such member does not attend or otherwise exercise in writing its proxy prior to the commencement of such meeting. The duration of such proxy shall be for a period of one (1) year, provided, however, that no such appointment shall last beyond the date of termination of all policies of insurance between the member and the company.

6. Termination of this Agreement. This Agreement shall terminate automatically upon the termination of all insurance policies between the Member and the Company. This Agreement may be terminated by the Company for failure of the Member to comply with the terms of any insurance policy, this Agreement, or the Bylaws, rules, regulations, or procedures of the Company. In the event any policy is canceled as a result of a default by the Member, the Member shall pay to the Company on the termination date an amount equal to the portion of the balance of the unpaid estimated annual premium and any other amounts due for the policy year.

7. General. This Agreement shall be construed under and governed by the laws of the State of Georgia. This Agreement may not be assigned by the Member without the prior written consent of the Company. Failure of either party to enforce any right hereunder shall not act as a waiver of such right or of the ability to assert such right at a later date or to terminate this Agreement on the basis of any subsequent default or breach.

IN WITNESS WHEREOF, the undersigned Member agrees to be bound hereby, and the parties hereby execute this Agreement by their duly authorized representatives as of the date first set forth above.

SCHEDULE A
UNITED BUSINESS INSURANCE COMPANY (A MUTUAL CAPTIVE)
SURPLUS NOTE

In accordance with the attached Policyholder Agreement between the undersigned member (the "Member") and United Business Insurance Company (A Mutual Captive) ("the Company"), the Member hereby agrees to the following terms and conditions in connection with its surplus loan to the Company upon the issuance of its insurance policy.

For value received, the Company hereby promises to repay to the Member, without interest and in accordance with the terms and conditions of this surplus note (the "Surplus Note"), the sum of \$ _____, the amount of the surplus contribution made by the Member in connection with its purchase of an insurance policy from the Company (the "Surplus Contribution").

No demand to repay the Surplus Contribution shall be made by the Member or honored by the Company, and no payment of principal or interest shall be due or required by the Company or made by the Company at any time when any such payment would reduce:

(i) the Company's remaining surplus, calculated according to statutory insurance accounting under the laws of Georgia and the regulations of the Georgia Insurance Department (the "Department"), to an amount less than \$500,000 or the amount of the Company's surplus immediately prior to the time the surplus loan evidenced hereby was made, whichever is greater; or

(ii) the Company's earned surplus, calculated according to statutory insurance accounting under the laws of Georgia and the regulations of the Department, to an amount less than \$0 or the amount of the Company's earned surplus immediately prior to the time the surplus loan evidenced hereby was made, whichever is greater.

All payments of principal and interest shall be payable only out of the Company's earned surplus required by law to transact the kinds of insurance for which the Company is authorized. This surplus note shall be subordinate to policyholders, claimant and beneficiary claims, and all other classes of creditors other than surplus note holders.

No payment of principal or interest shall be made hereunder without prior approval of the Commissioner of Insurance. The Department may disallow a payment if it finds that such payment is in violation of the above conditions or current law.

The principal amount of the Surplus Contribution, together with any interest due thereon, shall not be considered on the financial statements of the Company as a legal liability or be the basis of any offset. Wherever and whenever reference is made herein to the Company or the Member, the same shall include any transferee, assignee or successor of either the Company or the Member, and any transferee, assignee or successor of either the Company or the Member shall take this Agreement subject to all of the rights, privileges, duties and obligations of the Company and the Member. All repayments to the Member of any amount of the Surplus Contribution shall be made only in accordance with the terms hereof.

MEMBER:

UNITED BUSINESS INSURANCE COMPANY
(A Mutual Captive)

By: _____

By: _____

Name: _____

Name: Joseph A Capers

Title: _____

Title: President