

# AVALON RISK MANAGEMENT

GENERAL AGENT FOR THE SURETY IT REPRESENTS

GREAT AMERICAN ALLIANCE INSURANCE COMPANY  
CINCINNATI, OHIO

## FIATA GROUP BOND APPLICATION & INDEMNITY



Return completed application to [fiatabond@avalonrisk.com](mailto:fiatabond@avalonrisk.com)

150 Northwest Point Boulevard | 4th Floor | Elk Grove Village, IL 60007  
Phone: (847) 700-8176 | Fax: (847) 439-9985 | [fiatabond@avalonrisk.com](mailto:fiatabond@avalonrisk.com)

### INSTRUCTIONS

The FIATA Group Bond satisfies the FMC's financial responsibility requirement of all NVOCCs. Applicants must be a member in good standing with a FIATA Association member or a Direct member of FIATA. Membership must be maintained to remain on the group Bond. Each applicant must also maintain Cargo Legal Liability and Errors & Omissions insurance coverage. Annual premium for the FIATA Group Bond is 1 percent of the applicant's individual Bond limit and the Bond renews each year on 1 December. For applicants with an individual effective date other than 1 December, the first year's premium will be pro-rated. A payment processing fee of \$25.00 is added to all invoices.

**The following items must accompany submission of this application:**

1. Evidence of FIATA or FIATA Association membership. (A copy of your membership certificate is sufficient).
2. Evidence of Cargo Legal Liability and Errors & Omissions insurance. (A copy of the declarations page of your policy or a certificate of insurance is sufficient).
3. Provide written proof of tariff. (A copy of your FMC-1 form is sufficient).

### APPLICANT/PRINCIPAL/INDEMNITOR INFORMATION

Company Name: \_\_\_\_\_

Trade Name (if applicable): \_\_\_\_\_

Individual/Sole Proprietorship     Partnership     LLC     Corporation, state/country of Incorporation \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State/Province: \_\_\_\_\_ ZIP/Postal Code: \_\_\_\_\_ Country: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

Contact Name and Title: \_\_\_\_\_

Tax ID/Importer Number: \_\_\_\_\_ Years in Business: \_\_\_\_\_ If less than 5 years, note years in industry for senior officer: \_\_\_\_\_

Have you or any partner/officer ever filed any form of bankruptcy?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are there any pending claims against you from shippers or the FMC?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Has a surety ever paid claims on your behalf?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Has your company ever been cancelled by any surety?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

*If you answered yes to any of the above, please provide any further details on separate page.*

### FIATA MEMBERSHIP

Please indicate the type of FIATA membership you hold (check one):

- Direct Member of FIATA. (Please provide a valid copy of your FIATA Individual Membership Certificate)
- Member of a FIATA Association. (Must be in your country of domicile, please list association name below and provide valid membership certificate.)

Association Name: \_\_\_\_\_

### BOND INFORMATION

The FMC's financial responsibility requirements are below. **Select One Option** and provide the additional information requested in that section)

- NVOCC Operating in the United States** - US\$75,000 plus US\$10,000 for each unincorporated branch office in the United States.  
OTI License Number: \_\_\_\_\_ Total number of offices: \_\_\_\_\_ (If more than one, attach lists with address, phone and fax for each office)

- Non-U.S.-Domiciled Unlicensed NVOCC - US\$150,000.**

Address of U.S. Registered Agent for service of process: \_\_\_\_\_

- Non-U.S. Domiciled Licensed OTI/NVOCC** - US\$75,000 plus US\$10,000 for each additional unincorporated branch office in the U.S. (not counting the unincorporated **Qualifying U.S. Headquarters** presence it has established in the United States to qualify for licensing).

OTI License Number: \_\_\_\_\_ Total number of offices: \_\_\_\_\_ (If more than one, attach lists with address, phone and fax for each office)

Address of qualifying U.S. headquarters: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Address of U.S. Registered Agent for service of process: \_\_\_\_\_

Desired Bond Effective Date: \_\_\_\_\_

- Optional China Rider** (U.S. domiciled companies only) - Additional \$21,000 Limit.  
(This will add \$500.00 to the annual premium).

# INDEMNITY AGREEMENT

The Undersigned hereby declares the truth of the representations herein, and that they are made to induce GREAT AMERICAN ALLIANCE INSURANCE COMPANY or such other sureties as Avalon Risk Management may from time to time represent (hereinafter referred to collectively as the "Surety") to enter into a contract of suretyship by the issuance of the Bond(s) applied for. The Undersigned agrees that the Surety 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 Bond(s) in substitution for or in succession of the said Bond(s), or any increase or extension of time of the said Bond(s) or any other Bond or undertaking by the Surety on behalf of the principal whether issued or undertaken prior to or after the date hereof, hereinafter individually or collectively referred to as Bond(s), the undersigned hereby agrees:

- 1) To hereby authorize the Surety to make such pertinent inquiry as may be necessary from financial institutions, persons, firms and corporations in order to confirm and verify information referred to or listed herein;
- 2) To pay to the Surety the agreed premium upon execution of the Bond(s) and annually in advance thereafter;
- 3) To furnish the Surety with satisfactory and conclusive termination evidence that there is no further liability on the Bond(s);
- 4) To perform all the conditions of said Bond(s) and will indemnify and save the Surety harmless from demands, losses, costs, damages and expenses, including attorney's and counsel fees deemed necessary by the Surety, which Surety may sustain or incur by reason of the issuance of such Bond(s), or obtaining a release of or evidence of termination under such Bond(s). This obligation shall be continuing as to this Bond or any other Bonds or undertaking until Surety's liability is extinguished;
- 5) That the Surety shall have the exclusive right to adjust, settle or compromise any claim under such Bond(s), unless the Undersigned shall in writing request the Surety to litigate such claim and shall deposit immediately with Surety collateral security satisfactory to the Surety in kind an amount;
- 6) That the voucher or other evidence showing payment made by the Surety in good faith by reason of such Bond(s) or any renewal, extension or substitution thereof shall be conclusive and in any event prima facie evidence of such payment and the property thereof and of the liability of the Undersigned theretofore to the Surety;
- 7) To the following general provisions:
  - a. Any property which may have been, or may be, pledged as collateral security for any Bonds may, at the Surety's discretion, be retained as collateral security on any Bond falling under the scope of this Indemnity Agreement, whether or not executed, and whether or not executed or reinsured by the Surety, and for the full and complete performance of the Undersigneds' covenants under this Indemnity Agreement. In the case of any breach of the Undersigneds' covenants, or in case the Surety finds it necessary to raise money to meet any actual or prospective claim or demand under any Bond, or to pay any expense incurred in connection therewith, the Surety has full power and authority, without notice to the Undersigneds, to negotiate or redeem any checks or certificates of deposit, or to draw upon any letters of credit, and to use any or all of the proceeds, in order to protect itself against loss, costs, damages, attorneys' fees and expenses. After deducting all legal and other costs, and all loss, costs, damages, attorneys' fees and expenses, and all premiums due the Surety for any Bond or Bonds, the Surety shall return the remainder of the collateral, if any, to the person or persons legally authorized to receive it. We will contact you at the name and address provided and/or through your customs broker when the collateral may be returned. It is the principal's obligation to notify us of any change of address. If we are unable to contact you funds that we continue to hold on your behalf will become subject to a maintenance fee of 1.5% per month effective as of the return date of undeliverable certified mail to your last known address. The Surety shall not be responsible for any loss to the property from any cause other than the act or neglect of its officers or employees. The Surety shall not be responsible for paying interest, or loss of interest, to depositor or any other party on such deposits;
  - b. The Principals agree to give the Surety prompt written notice of any and all facts which may give rise to any action against the Surety relating to any Bond. If the Principals fail to petition, protest, defend, or settle any such action taken by the Oblige, pursuant to the Bond, the Principals agree that the Surety may petition, protest, defend, or settle such action to protect its interests by whatever means it considers appropriate. The determination as to whether any such action is petitioned, protested, defended or settled is binding and conclusive upon the Principals, and the result of any such petition, protest, defense or settlement is binding in whole or in part, as if it were the act of the Principals. Evidence of payment is prima facie evidence of the fact and extent of the Principals' liability to the Surety. Liability hereunder extends to, and includes, the full amount of any and all monies paid by the Surety in settlement or compromise of any action, in good faith under the belief that it was liable therefore, whether liable or not, as well as any and all disbursements for attorneys' fees, costs, and expenses as aforesaid, which may be made under the belief that such were necessary, whether necessary or not. The Principals understand that any action taken to petition, protest, defend or settle any action by the Oblige under the Bond, whether the action is initiated by the Principals or the Surety, does not excuse the Principals from the timely payment of bills for the Bond or for amounts paid in pursuance thereof.
- 8) The Undersigned further agrees to reimburse the Surety for all expense, counsel and attorney fees incurred by the Surety in enforcing any provision of this agreement.; and
- 9) To agree to the following general provisions:
  - a. I have read the application and indemnity agreement and understand and accept the terms and conditions set forth herein.
  - b. I warrant that any misrepresentation on the application, whether innocent or intentional, can result in Bond termination.
  - c. I understand that I will be notified by Avalon Risk Management of approval of the Bond and that this application does not, in any way, guarantee approval of my Bond application.
  - d. I agree and understand that I will be held accountable for and am responsible to abide by the terms and conditions set forth in any Bond form issued by Avalon Risk Management.
  - e. I understand that I must maintain adequate insurance coverage for both Cargo Legal Liability and Errors & Omissions Insurance as prerequisite to obtaining any transportation related Bond. Furthermore, I agree to keep my insurance intact and renew coverage annually while Bond(s) are in force. I understand and agree that I must notify Avalon Risk Management of the termination or lapse in my coverage within 10 business days from the cancellation or expiration date.
  - f. I agree to notify Avalon Risk Management immediately of any FMC, Federal, or State investigations and of any claim or suit against my Bond(s).

Regardless of the date this Indemnity Agreement is signed, it is effective as of the date of the execution of the above mentioned Bond(s).

Dated \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

## SIGNATURE/ACKNOWLEDGEMENT

The undersigned being authorized by and acting on behalf of the applicant must read and initial the following statements:

**PLEASE INITIAL EACH LINE**

- \_\_\_\_\_ 1. I have read the application and indemnity agreement and understand and accept the terms and conditions set forth herein.
- \_\_\_\_\_ 2. I warrant that any misrepresentation on the application, whether innocent or intentional, can result in Bond termination.
- \_\_\_\_\_ 3. I understand that I will be notified by Avalon Risk Management of approval of the Bond and that this application does not, in any way, guarantee approval of my Bond application.
- \_\_\_\_\_ 4. I agree and understand that I will be held accountable for and am responsible to abide by the terms and conditions set forth in any Bond form issued by Avalon Risk Management.
- \_\_\_\_\_ 5. I understand that I must maintain adequate insurance coverage for both Cargo Legal Liability and Errors & Omissions Insurance as prerequisite to obtaining any transportation related Bond. Furthermore, I agree to keep my insurance intact and renew coverage annually while Bond(s) are in force. I understand and agree that I must notify Avalon Risk Management of the termination or lapse in my coverage within 10 business days from the cancellation or expiration date. Evidence of insurance coverage will be provided to Avalon Risk Management upon request.
- \_\_\_\_\_ 6. I understand that I must maintain either direct membership in FIATA or membership in a FIATA Association member in order to remain eligible for participation on the FIATA Group Bond. Evidence of membership will be provided to Avalon Risk Management upon request.
- \_\_\_\_\_ 7. I agree to notify Avalon Risk Management immediately of any FMC, Federal, or State investigations and of any claim or suit against my Bond(s).

## SIGNATURES

### INDIVIDUAL/PROPRIETORSHIP

Name of Individual	Signature	Date of Birth:	<b>SEAL</b>
		Social Security #:	
Name of Spouse	Spouse's Signature	Date of Birth	
Home Address:		Social Security #:	

*\*If married, signature of spouse is required*

### PARTNERSHIP

Name of Individual/Partner	Signature	Date of Birth	<b>SEAL</b>
		Social Security #:	
Title:	Home Address:		
Name of Individual/Partner	Signature	Date of Birth	<b>SEAL</b>
		Social Security #:	
Title:	Home Address:		

### CORPORATION OR LLC

Company Name	Signature	Title	<b>SEAL</b>
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**ALL OWNERS, (STOCKHOLDERS) AND ADDITIONAL INDEMNITORS MUST SIGN BELOW**

In consideration 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 Indemnitors(s) agree(s) to be bound by the Indemnity Agreement to the same extent as the Applicant. The 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 NAME

\_\_\_\_\_  
INDEMNITOR SIGNATURE

\_\_\_\_\_  
INDEMNITOR NAME

\_\_\_\_\_  
INDEMNITOR SIGNATURE