

PREMIUM FINANCE AGREEMENT — Truth-in-Lending Disclosure

LENDER: TEXAS SPECIALTY FINANCE, INC.
 510 TURTLE COVE, SUITE 220
 ROCKWALL TEXAS 75087
 (972) 771-5653 WATTS 1 800-442-7050

Contract Date _____

Agent No. _____ Account No. _____

NAME OF INSURED		PHONE NO.
ADDRESS		
CITY	STATE	ZIP

NAME OF AGENT		PHONE NO.
ADDRESS		
CITY	STATE	ZIP

SCHEDULE OF POLICIES					
POLICY NO. (IF AVAILABLE)	DATE OF POLICY (OR OF APPLICATION)	POLICY TERM (IN MONTHS)	INSURANCE COMPANY (IF AVAILABLE)	TYPE OF COVERAGE	PREMIUM
1					
2					
3					

FOR VALUE RECEIVED the undersigned INSURED jointly and severally, if more than one promises to pay to the order of the above identified LENDER at the address of LENDER stated above the Total of Payments in consecutive monthly payments as shown herein, with any unpaid balance and all unpaid additional charges due on the same date on which the final installment is due and authorizes LENDER to pay the insurance company or its authorized agent the premium set forth herein.

CANCELLATION: IF INSURED fails to make the payments at the time and in the amount provided in this agreement or there is any other default under the terms of this agreement LENDER may cancel the insurance policy(ies) as hereinafter provided. Before such cancellation occurs, LENDER shall first mail a written notice to INSURED of the intent of LENDER to cancel the policy(ies) unless the default is cured within 10 days after the date the written notice is mailed. A copy of such notice of intent to cancel shall also be mailed to the above referenced insurance agent. After the expiration of the 10 day period given to cure the default, LENDER may cancel the insurance policy(ies) by mailing a notice of cancellation to the insurance company and the insurance policy(ies) shall be cancelled as if the notice of cancellation had been submitted by INSURED. Copies of such notice of cancellation shall also be mailed to INSURED at INSURED'S last known address and to the above referenced insurance agent. When any such insurance policy(ies) is cancelled, LENDER shall receive the return of unearned premiums and loss payments and credit such amounts on the unpaid balance of this loan, and any surplus of \$1.00 or more shall be refunded to INSURED.

TRUTH IN LENDING DISCLOSURES			
AMOUNT FINANCED The amount of credit provided to you or on your behalf.	FINANCE CHARGE The dollar amount the credit will cost you	TOTAL OF PAYMENTS The amount you will have paid after you have made the scheduled payments	ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. %
\$	\$	\$	%

Your payment schedule will be:				
Number of Payments	Amount of Payments	1st Payment Due	When Payments are Due	
			Date Due	Frequency
9				Mo.

SECURITY: You are giving a security interest in unearned premiums and loss payments on the insurance policy being purchased.
LATE CHARGE: If payment is late 10 days or more, you will be charged 5¢ for each \$1.00 of such payment.
PREPAYMENT: If you pay off early, you may be entitled to a refund of part of the finance charge, but on loans of \$100 or less, you will not be entitled to a refund of any part of the finance charge "called acquisition charge."
 See your contract documents for any additional information about nonpayment default, any required repayment in full before the schedule date, and prepayment refunds and penalties.

I want an ITEMIZATION I do not want an ITEMIZATION
 ITEMIZATION of the Amount financed (1) _____ (2) _____ (3) _____
 Amount Paid to others on your behalf _____
 (To Insurance Company)

ADDITIONAL DISCLOSURES	
Total amount of the premiums for all insurance contracts	\$ _____
Less: Amount of the down payment	\$ _____
Equals: Principal balance	\$ _____
<input type="checkbox"/> FINANCE CHARGE	\$ _____
<input type="checkbox"/> Acquisition charge*	\$ _____
<input type="checkbox"/> Installment account handling charge*	\$ _____

*Only applicable when finance charge is computed under Art. 3.16, Texas Credit Code.

ANY MONEY RECEIVED AFTER NOTICE OF CANCELLATION HAS BEEN SENT SHALL BE APPLIED TO THE OUTSTANDING INDEBTEDNESS OF THE NOTE BALANCE AND SHALL NOT BE CONSTRUED AS A REINSTATEMENT ON THE INSURANCE POLICY.

AGENT'S AGREEMENT

The undersigned warrants and represents that:

- (1) This agreement was completed as to all of its provisions and disclosures before it was signed by INSURED, and a copy thereof was delivered to INSURED at the time of signing.
- (2) The signature of INSURED is genuine
- (3) LENDER will be notified of any and all changes in the terms of said policy(ies).
- (4) This contract is binding only when accepted and approved by LENDER.
- (5) Undersigned is not the agent of the LENDER, and payment to agent does not constitute payment to LENDER.
- (6) Any refund of premium by the insurance company will be promptly endorsed and forwarded to LENDER
- (7) A copy of the insurance policy application(s) is attached hereto and a copy of the insurance policy(ies) will be forwarded promptly to LENDER
- (8) None of the insurance policies require the insurance company to give more than 10 days' notice of cancellation after receiving notice of cancellation from LENDER (CHECK IF applicable) except policy no. _____ which requires _____ days' notice
- (9) The insurance company is is not admitted before the Texas State Board of Insurance.
- (10) The premiums on the policy(ies) are not subject to acceleration (check if applicable) except policy no. _____
- (11) The cash down payment has been paid by INSURED.

 Signature of Agent

THE INSURED AGREES TO THE PROVISIONS ABOVE AND ON THE FOLLOWING PAGE.

INSURED hereby agrees to and acknowledges this combined Premium Finance Agreement and Truth-in Lending Disclosure was completed as to all of its provisions and disclosures before it was signed by INSURED and a copy thereof was delivered to INSURED at the time of signing.

POWER OF ATTORNEY — NOTICE TO INSURER

This to inform you and to certify that the premium for this policy(ies) has been furnished and to further state that in recognition of the several possibilities which might cause my inability or failure to pay any insurance premium installment when due, I do irrevocably make, constitute, and appoint

TEXAS SPECIALTY FINANCE INC. • 510 TURTLE COVE BLVD., SUITE 220 • ROCKWALL, TX 75087

hereinafter called LENDER and its assigns my true and lawful attorney for me to cancel and collect all return premiums on the above listed insurance policy(ies); and Lender and its assigns further authorized and empowered to execute all necessary written instruments, lost policy releases, and notices in connection therewith and to do whatever is necessary in the cancellation of such policy(ies).

Executed this _____ day of _____ 20____ X _____

Signature of INSURED

REMAINING PROVISION OF YOUR PREMIUM FINANCE AGREEMENT

PREPAYMENT: **INSURED** shall have the right at any time to prepay this note in full or any one or more installments thereof without penalty, and upon prepayment in full shall receive a refund of the unearned finance charge computed according to the sum of the periodic balances method, but on loans of \$100 or less no portion of any acquisition charge shall be refunded. If such prepayment in full occurs before the 1st installment due date **LENDER** shall retain for each elapsed day from the date the finance charge accrues 1/30th of the portion of the finance charge which could be retained if the 1st installment period were 1 month and the loan were prepaid in full on 1st installment period due date and the finance charge in excess of such amount shall be refunded to **INSURED**. No refund of less than \$1.00 shall be made.

DEFAULT CHARGES: When any portion of a scheduled installment becomes delinquent (10) days or more, the sum of 5¢ for each \$1.00 of such installment may be assessed and collected as an additional charge.

ACCELERATION: **LENDER** upon **INSURED'S** default in any payment, or upon any other act of default under this agreement is authorized to accelerate and declare due and payable the entire unpaid balance of this note, less unearned finance charges. Other acts of default for which the unpaid balance may be accelerated include any check given by **INSURED** for the down payment or any future payment due under this agreement is not honored when presented in the bank on which drawn, failure of **INSURED** to comply with any provision of this agreement, any proceeding in Bankruptcy, receivership, or insolvency being instituted by or against **INSURED**, or if any insurance company issuing an insurance policy referred to herein becomes insolvent, suspends business or ceases to be qualified to do business. After maturity, the finance charge shall be computed at the highest rate permitted by applicable law.

INSURED hereby waives presentment, protest, and notice of dishonor.

AMENDMENT: Should additional premium be due as a result of changes in **INSURED'S** policy(ies) or adjustments of the rate classification, **INSURED** hereby grants **LENDER** the authority to pay the additional premium and to amend this agreement accordingly. Such additions shall be accomplished by **LENDER** furnishing **INSURED** and **INSURED'S** agent with a written memorandum of agreement prior to the 1st scheduled payment date of the amended transaction.

SECURITY: Until **LENDER** has been paid the full amount owing, **INSURED** hereby (a) grants **LENDER** a security interest in unearned premiums which may become payable under any and all policy(ies) herein described, and in loss payments under said policy(ies) subject, however, to any mortgagee or loss payee interest; and (b) irrevocably appoints **LENDER** to be **INSURED'S** attorney in fact with full power and sole authority to sign or otherwise execute any and all policies, papers, lost policy releases, and notices necessary to effect cancellation of the policy(ies) herein described and to collect and receive unearned premiums which may become payable under said policy(ies).

LENDERS & AGENT'S STATUS: It is agreed that **LENDER** is not acting as an insurance carrier, agent or broker and shall have no liability as such. **INSURED** understands and agrees that **INSURED'S** insurance agent or broker is not the agent of **LENDER**, that the insurance agent or broker has no power or authority to make agreements or enter into contracts for **LENDER**, and that this agreement has no force or effect until accepted in writing by **LENDER**.

NOTIFICATION OF INSURANCE COMPANIES: **INSURED** authorizes **LENDER**, at its option, to notify any and all insurance companies issuing insurance policies covered by this agreement of the terms of this agreement, and **INSURED** directs said insurance companies to honor all provisions of this agreement.

TEXAS LAW TO GOVERN: **INSURED** and **LENDER** agree that this agreement is made subject to and shall be governed by and construed under the applicable laws of the State of Texas and the United States, and any provision of this agreement contrary to such laws shall be ineffective without invalidating the remaining provisions. Under no circumstances shall **INSURED** have to pay more interest than is allowed under law for this type of loan, and if **LENDER** inadvertently contracts for charges, or receives more interest than allowed, **LENDER** will either refund the excess to **INSURED** or apply it to the unpaid balance of the loan.

ASSIGNMENT: **INSURED** warrants that the insurance policy(ies) set forth above, or a binder for such policy(ies) has been issued to **INSURED** and is in full force and effect, and that there has been no assignment of any interest in the insurance policy(ies) except for the assignment to **LENDER** provided herein, and except for the interest of mortgagees and loss payees, without the written consent of **LENDER**, but if such approved assignment by **INSURED** is made, this agreement shall inure to the benefit of and be binding on such assignee. **INSURED** agrees that **LENDER** may assign this agreement, and in such event this agreement shall inure to the benefit of and be binding on such assignee.

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Contract Date _____

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THESE POLICIES ARE FINANCED

YOUR POWER OF ATTORNEY ATTACHED

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Executed this _____ day of _____ 20____

X _____
Signature of INSURED