

BOND FORM - ACTIVITY DESK

INSTRUCTIONS FOR FILING:

- 1. Follow "Guidelines" for statutory bond requirements.
- 2. Complete **all** sections of form as required.
- 3. **Both** applicant **and** surety must complete and notarize bond form.
- 4. Attach Power of Attorney if applicable.

Activity Desk Program
 Department of Commerce and Consumer Affairs
 PVL Licensing Branch
 P.O. Box 3469
 Honolulu, Hawaii 96801
hawaii.gov/dcca/pvl

BOND NO. _____

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, _____,
(Name of Principal)

as PRINCIPAL, and _____,
(Name of Surety), as SURETY, authorized by the

Insurance Commissioner, State of Hawaii, to transact the business of surety insurance, are held and firmly bound unto the Director of the Department of Commerce and Consumer Affairs, State of Hawaii, as OBLIGEE, the full and just sum of

_____ (\$ _____) in lawful

money of the United States of America, and hereby bind ourselves jointly and severally, and our heirs, executors, administrator, successors and assigns, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE AS FOLLOWS:

THAT WHEREAS, the said bounden principal has applied for registration to engage in business as an activity desk under the provisions of Act 231, SLH, 1992, as amended.

THAT WHEREAS, the said bounden Principal shall comply with all requirements of Act 231, SLH, 1992, as amended, and any rules promulgated thereto with respect to the duties, conduct, obligations, and liabilities of activity desks.

NOW, THEREFORE, if the said bounden Principal, including its employees, directors, officers, agents, volunteers and independent contractors shall faithfully and truly comply with Act 231, SLH, 1992, as amended, and rules promulgated pursuant thereto, and all of the conditions previously stated in this bond, then this obligation shall be void; otherwise, this obligation shall be and remain in full force and effect.

AND, the period which this bond is to cover shall be from _____, 20____ to _____, 20____. If the bond is continuous in nature, the premium shall be paid on _____ of each respective year.

AND, the bond may be cancelled only if the Principal herein named gives sixty (60) days prior written notice to the Surety, OR the Surety herein named gives thirty (30) days prior written notice to the Obligee.

AND, the Surety shall be liable for any claims against the bond for a period of six (6) months after expiration or cancellation of the bond, provided that the debts were incurred while the bond was in effect, and the Obligee notifies the Surety of any claims within ninety (90) days of discovery of any claims.

AND, the Surety is not required to release any money or collateral to the Principal during the six (6) months after cancellation or expiration of the bond.

AND, the bond is to indemnify any consumer who suffers loss as a result of nonperformance by the Principal.

NOTARIZED SIGNATURES ON PAGE 2

(CONTINUED ON PAGE 2)

IN WITNESS WHEREOF, we, the said Principal and the said Surety have hereunto set our hands and seals this

_____ day of _____ A.D. 20 _____ .

Subscribed and sworn to before me this
_____ day of _____ A.D. 20 _____ .
Notary Signature: _____
Notary Public, State of: _____
My commission expires: _____
Print Name: _____

Principal: _____
By: _____
Title: _____

Doc. Date: _____ *No. of Pages:* _____
Notary Name: _____ *Circuit Court:* _____
Doc. Description _____

Notary Signature: _____
Date: _____

Subscribed and sworn to before me this
_____ day of _____ A.D. 20 _____ .
Notary Signature: _____
Notary Public, State of: _____
My commission expires: _____
Print Name: _____

Surety: _____
By: _____
Title: _____

Doc. Date: _____ *No. of Pages:* _____
Notary Name: _____ *Circuit Court:* _____
Doc. Description _____

Notary Signature: _____
Date: _____

Bond forms change; this is for educational purposes only.

(See Guidelines on next page)

GUIDELINES FOR ACTIVITY DESK STATUTORY BOND REQUIREMENTS

GENERAL INFORMATION

BOND Must be issued by a surety admitted to do business in Hawaii, be a performance or guaranty type bond naming the director as obligee to indemnify any consumer who may suffer loss as a result of nonperformance by the activity desk. The bond must provide:

- 1) That the bond may be cancelled only if the activity desk gives sixty days prior written notice to the surety or the surety gives thirty days prior written notice to the director of cancellation of the bond;
- 2) That the surety may be liable for any claims against the bond for a period of six months after expiration or cancellation of the bond provided that:
 - a) The debts were incurred while the bond was in effect; and
 - b) The director notifies the surety of any claims within ninety days of discovering of any claims.

The surety is not required to release any money or collateral to the activity desk during the six months after cancellation or expiration of the bond.

COMPUTING THE AMOUNT OF BOND COVERAGE

NOTE: As defined in Act 231, SLH 1992, "net sales" means gross sales minus the commission paid to activity desks.

1. The bond must be in an amount equal to the average monthly net sales revenues of the activity desk as determined for the twelve-month period ending on the last sales period ending date of the fifth month prior to the anniversary date of the bond; provided that the amount of coverage of the bond shall not be less than \$50,000 nor more than \$250,000.

EXAMPLE: If the effective date of the bond is August 1, 2004, then the anniversary date of the bond is August 1, 2005. Count backwards five (5) months from the anniversary date--March 1, 2005. The period March 1, 2004, to March 1, 2005, is the twelve-month period on which to determine the "average monthly net sales revenues". This figure (average monthly net sales revenues) is the bond amount required to be posted. **The bond amount must always be between \$50,000 and \$250,000**, even if the average monthly net sales revenues are less than \$50,000 or more than \$250,000.

2. If an activity desk provides a bond for the first time during the period beginning on June 17, 2004, and ending on March 31, 2005, then the initial bond coverage shall be based on the twelve-month period ending on June 30, 2004.

EXAMPLE: If a bond is posted for the first time to cover the period June 17, 2004, to March 31, 2005, then use the twelve-month period June 30, 2003 to June 30, 2004, to compute the "average monthly net sales revenues". This figure (average monthly net sales revenues) is the bond amount required to be posted. Again, **the bond amount must always be between \$50,000 and \$250,000**, even if the average monthly net sales revenues are less than \$50,000 or more than \$250,000.

3. If an activity desk does not have a full twelve-month period on which to base the bond amount, then the amount shall be not less than the average monthly net sales revenues as determined for the months available; provided that this amount shall not be less than \$75,000, notwithstanding the minimum amount of \$50,000 for regularly computed coverage.

EXAMPLE: If an activity desk has been operating for less than twelve months, then compute the average monthly net sales based on the months in operation. **Under this formula, the bond amount must be a minimum of \$75,000.**

4. If an activity desk has more than one branch desk location, the bond shall cover all locations, and computation on the coverage shall be based on the total net sales of all branch locations.

Bond forms change; this is for educational purposes only.

Surety Bond Application

AGENCY NAME: _____ AGENCY CONTACT: _____
 AGENCY PHONE: _____ AGENCY FAX: _____ AGENCY EMAIL: _____
 AGENCY ADDRESS: _____ City: _____ State: _____ Zip: _____
 CURRENT OR EXPIRING QUOTE WE ARE LOOKING TO BEAT? _____
 NAME OF PREVIOUS SURETY COMPANY WRITING THE BOND? _____

SECTION I: BOND APPLIED FOR

Type of Bond: _____ Effective Date: _____ Expiration Date: _____
 Type of Company CORP LLC DBA PARTNERSHIP Bond Amount: _____
 (Obligee): _____
 Obligee Address _____

SECTION II: GENERAL INFORMATION

Applicant's Name: _____ Spouse Name: _____
 SS#: _____ Spouse SS#: _____ Home Phone: () _____
 Residence Address: _____ City: _____ State: _____ Zip: _____
 Business Name: _____
 Business Phone: () _____ Business Fax: () _____ E-mail: _____
 Business Address: _____ City: _____ State: _____ Zip: _____
 Date Business BEGAN under present Individual or Firm Name: _____ BUSINESS TAX ID: _____

HAS ANY COMPANY REFUSED TO ISSUE BONDS FOR ANY PURPOSE? YES NO DO YOU HAVE ANY LIENS, CLAIMS OR JUDGMENTS AGAINST YOU? YES NO
 HAS APPLICANT EVER FAILED IN BUSINESS? YES NO HAS APPLICANT EVER FILED BANKRUPTCY? YES NO

IF YES TO ANY, PLEASE EXPLAIN ON A SEPERATE SHEET OF PAPER

SECTION III: ADDITIONAL OWNERS OR PARTNERS AS REQUIRED

NAME: _____ SPOUSE NAME: _____
 SS#: _____ SPOUSE SS#: _____ PHONE: _____
 HOME ADDRESS: _____ City: _____ State: _____ Zip: _____

**PERSONAL FINANCIALS (IF MORE THAN ONE OWNER, EACH HAS TO FILL OUT THIS APPLICATION)
 STATEMENT OF ASSETS AND LIABILITIES AS OF**

ASSETS		LIABILITIES	
CASH IN BANK		NOTES PAYABLE TO BANKS	
CASH ON HAND		NOTES TO OTHERS (excl. of equipment)	
STOCKS AND BONDS		ACCOUNTS PAYABLE	
ACCOUNTS RECEIVABLE		FEDERAL & STATE INCOME TAX DUE	
NOTES RECEIVABLE		ALL OTHER TAXES	
INVENTORY		ACCRUALS, PAYROLLS, ETC.	
CASH VALUE LIFE INSURANCE			
EQUIPMENT		DUE ON EQUIPMENT	
REAL ESTATE		DUE ON REAL ESTATE	
OTHER ASSETS		OTHER LIABILITIES	
		CAPITAL STOCK (if a corporation)	
		SURPLUS AND UNDIVIDED PROFITS	
TOTAL ASSETS		TOTAL LIABILITIES	
		NET WORTH	
Name of Owners		Name and Title of Officers	
		% OWNERSHIP IN COMPANY	

COMPLETION OF THIS FORM CONSTITUTES PERMISSION FOR WORLDWIDE INSURANCE SPECIALISTS INC. TO OBTAIN CONSUMER INFORMATION WHICH WILL BE USED TO DETERMINE BONDING ELIGIBILITY. THIS INFORMATION WILL BE HELD IN THE STRICTEST CONFIDENCE
 NO PREMIUM FINANCING WILL BE ACCEPTED AS PREMIUM IS EARNED IN FULL.

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 2424 W. Missouri AVE
 Phoenix, AZ 85015

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