



# *Prime Rate*

## DRAFT USAGE AGREEMENT

**BY ACCEPTING AND/OR USING PRIME RATE DRAFTS, YOU AGREE TO BE BOUND BY THE PROCEDURE OUTLINED IN THIS AGREEMENT.**

Agency Name: \_\_\_\_\_ Agency Number: \_\_\_\_\_

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

The above Agency has requested use of Prime Rate's drafts. Upon acceptance of this agreement, Prime Rate will furnish the Agency with Prime Rate drafts, to be completed by Agency for the purpose of funding premium finance transactions financed by Prime Rate.

Prime Rate and the Agency jointly agree to the following terms and conditions for the use of drafts:

- 1) **Authorized Signatures.** Prime Rate drafts will be signed by an authorized employee of Agency, as referenced below in this agreement, unless an alternate check signing procedure is agreed upon in writing by Agency and Prime Rate.
- 2) **Qualifying Agreements.** Prime Rate drafts will be used to fund only agreements which:
  - a) have been properly completed, and,
  - b) have been properly executed (including date, signature, and collection of down payment as stated in the finance agreement) by the Insured and the Agency, and,
  - d) have no past due payments.
- 3) **Earliest Date of Funding.** Agency agrees that Prime Rate drafts will not be issued more than 20 days before the inception date of the policies listed in the related premium finance agreement.
- 4) **Same-Day Agreement Requirement.**
  - a) Fax The Agency agrees to FAX to the processing department at Prime Rate (800-320-0414) on the day Prime Rate draft(s) are issued:
    - 1) a copy of the original Prime Rate draft(s) issued, and
    - 2) a copy of the premium finance agreement(s).
  - b) Mail The Agency agrees to mail to Prime Rate postmarked by the following day the Prime Rate draft(s) are issued:
    - 1) the down payment if the draft amount is greater than the amount financed.
- 5) **Record Retention Requirement.** Agency agrees to keep the original copy of all premium finance contracts.
- 6) **Voided Drafts.** Any drafts spoiled or voided for any reason will be indicated as "VOID" across the "amount" block and the signature lines. The entire form for all voided drafts must be immediately mailed to Prime Rate.

- 7) **Prime Rate's Right to Dishonor Drafts.** Prime Rate, through its bank, may dishonor any Prime Rate draft which is not prepared in compliance with this agreement, or which provides funding for an agreement which, at Prime Rate's sole discretion, is not acceptable to Prime Rate.
- 8) **Obligation to Repurchase.** If, within 30 days of receipt, it is determined (at Prime Rate's sole discretion) that a premium finance agreement is ineligible for financing, or if a premium finance agreement is not received by Prime Rate and cannot be replaced by the Agency, upon request by Prime Rate, the Agency agrees to repurchase from Prime Rate any Prime Rate draft amount(s) paid to Agency for any premium finance agreements for which Prime Rate would not have issued its own draft in the absence of this Prime Rate program.

Agency agrees that reimbursement under this section will be made via the Agency's check issued to Prime Rate no later than one business day following the request by Prime Rate for such reimbursement. Further, Agency agrees that any delay by Prime Rate in requesting or demanding reimbursement for an ineligible or non-received premium finance agreement is not a waiver of Prime Rate's rights under this section.

- 9) **Deposit Bank Accounts.** Prime Rate drafts will be deposited only into bank accounts maintained in the name of the Payee.
- 10) **Authorized Signatures.** Agency acknowledges that any signers of Prime Rate drafts will be officers of Agency or other employees who are authorized to conduct business in the name of and sign for Agency.
- 11) **Agreements.** By and accepting and/or using Prime Rate drafts provided by Prime Rate, and/or signing Prime Rate's "Agency Agreement," Agency agrees to be bound by the terms specified in this Draft Usage Agreement. By providing Agency with Prime Rate drafts, Prime Rate agrees to be bound by this agreement as well.

\_\_\_\_\_  
Agency Signature

\_\_\_\_\_  
Title (Owner, Officer)

Date: \_\_\_\_\_