

A

Bond Designed To Protect Your Valuable Pension Programs

What Are Pension Trust Bonds?

Many companies today offer pension plans and/or profit sharing programs as part of a benefit package for their employees. These programs are managed by appointed individuals associated with that company, known as fiduciaries. To protect the investors and the money in these funds, the individuals handling plan assets need to be bonded. The pension trust bond from CNA Surety does just that.

Why Is This Bond Needed?

The Pension Reform Act of 1974 states that the fiduciaries of a pension or profit sharing fund are required to post a bond for 10% of the amount of funds handled. As an example, a person who manages a profit sharing program that involves \$250,000 in funds must post a bond for \$25,000. CNA Surety will help satisfy this requirement at a reasonable cost. We have competitive rates subject to a \$50 minimum premium per position and \$100 minimum premium per bond.

Apply For Coverage Now

Just complete this application and give it to your CNA Surety agent today. Your application will be reviewed the day it is received. We provide the fastest service in the industry.

Application for Pension Trust Bond

Plan Name: _____

Type of Business: _____

Business Address: _____

What is the total plan balance? _____

Amount of bond requested*: _____

Is this bond required because more than 5% of plan assets are "non-qualifying"? _____ Yes _____ No

(*The bond amount applies to each fiduciary.)

Effective Date: _____

Previous Surety: _____ Yes _____ No

(If yes, give name and reason for change on a separate sheet.)

Information on each fiduciary (Please print)

Name _____

SS# _____

Approximate Net Worth _____

Name _____

SS# _____

Approximate Net Worth _____

Name _____

SS# _____

Approximate Net Worth _____

(Please attach additional names to this application.)

Information on the plan

Is the plan audited? _____ Yes _____ No

How often? _____

By whom? _____

Agent recommendation _____

INDEMNITY

The undersigned hereby certify the truth of all statements in the application, authorize the Company to verify this information and to obtain additional information from any source, including obtaining a credit report at the time of application, in any review or renewal, at the time of any potential or actual claim, or for any other legitimate purposes as determined by the Company in its reasonable discretion, and jointly and severally agree:

- To pay the usual premiums, including renewal premiums, to the Company or its agents, when due.
- To completely INDEMNIFY the Company from and against any liability, loss, cost, attorney's fees and expenses whatsoever which the Company shall at any time sustain as surety or by reason of having been surety on this bond or any other bond issued for applicant, or for the enforcement of this agreement, or in obtaining a release or evidence of termination under such bonds; regardless of whether such liability, loss, costs, damages, attorneys' fees and expenses are caused, or alleged to be caused, by the negligence of the Company.
- To furnish the Company with satisfactory and conclusive termination evidence that there is no further liability on this bond or any other bond issued for applicant.
- Upon demand by the Company for any reason whatsoever, to deposit current funds with the Company in an amount sufficient to satisfy any claim against the Company by reason of such suretyship.
- That the Company shall have the right to handle or settle any claim or suit in good faith. An itemized statement of loss and expense incurred by the Company, sworn to by an officer of the Company, shall be prima facie evidence of the fact and extent of the liability of the undersigned to the Company.
- That the Company may decline to become surety on any bond and may cancel or amend any bond without cause and without any liability which might arise therefrom.
- That the Company shall, without notice, have the right to alter the penalty, terms and conditions of any bond issued for undersigned and this agreement shall apply to any such altered bond.
- At the Company's discretion, this indemnity agreement shall be governed in all respects by the laws of the State of South Dakota and the undersigned applicant and indemnitors consent to the jurisdiction of the courts of the State of South Dakota and the United States District Court for the District of South Dakota in all actions or proceedings arising from or relating to this indemnity agreement.
- That this indemnity may be cancelled as to subsequent liability by an indemnitor upon written notice to the Company at Sioux Falls, South Dakota 57104, effective ten (10) days after the earliest date thereafter upon which the Company could have cancelled all bonds in force for the applicant.
- In the event of any payment by the Company, to pay the Company interest on such amounts at the highest legal rate from the date such payments are made.

Signed this _____ day of _____, _____

Your CNA Surety Agent is:

Agent's Name
Address
Street & Number
City _____ State _____ Zip _____
Agent's Code