

The Southern Agency



Insurance & Bonds

Use this application set when applying for a bond for a specific job of more than \$350,000—whether bid or payment, maintenance and performance bonds. The applicant must:

Our bond underwriter will consider surety credit (bonding) to contractors who exhibit adequate experience, a good reputation, satisfactory bill paying habits and sufficient financing for the desired work (bonding) program. For the bond underwriter to consider surety credit, the following information will need to be provided so that we can submit your application to the surety underwriter for consideration:

1. The last three fiscal year-end financial statements. CPA® prepared statements demonstrating a track record of profitable operations with sufficient working capital and net worth, are key items in consideration of bonding. Please be very specific if you need to explain certain aspects of your financial statements, especially if you have not been profitable. Depending on the size of the surety credit you are seeking will depend on the type of CPA® prepared statements that we will need; i.e. compilation, reviewed, audited, etc. It may be necessary for your accountant to discuss your business with our underwriter.
2. If the fiscal year-end is more than six months old, we need to see the most up to date interim statement available.
3. Financial statements and tax returns for any affiliated or subsidiary business. The strength or weakness of an affiliated business can impact the financial and organizational resources of the principal company.
4. Complete the Contractor's Information Report (BN-1100 attached). This Report provides information on many key aspects of the organization, including supplier and owner references.
5. You should have letters of recommendation from vendors and customers prepared that demonstrate your character and abilities.
6. Complete the Work on Hand Schedules (BN-1200 attached) that support all fiscal year-end and interim statements. These schedules

should reconcile open and completed projects to the financial statement.

7. A Personal financial statement for each stockholder. These statements should reflect the equity in the company in which the surety underwriter is reviewing. The surety requires the principals, through personal indemnity, to stand behind their work, and their personal net worth can strengthen the case for bonding. You may want your accountant to assist you in preparing this statement because many times the personal net worth of the principal(s) is what qualifies the contractor for the bonding.
8. A bank letter of reference commenting on banking relationships and the terms/conditions of any lines of credit. A bank line evidences credit worthiness and is an important component in managing cash flow.
9. Complete a Bid Worksheet (attached). Also, a copy of the contract if the job in which you are seeking a bond is a private job.

For more information on bonds, please read our Contract Surety Bond Resource Guide under the Resources tab of our website.

The Southern Agency, Inc.
Derek Wirz
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Chattanooga, TN 37424
423-504-4647 cell
dwirz@thesouthernagency.com

THE CINCINNATI INSURANCE COMPANY

CINCINNATI, OHIO

CONTRACTOR INFORMATION REPORT

Agent's Name: The Southern Agency, Inc. - 41-154

Date Business Started: _____

Contractor: _____

☐ Proprietorship

Address: _____

☐ Partnership—Gen. ☐ Ltd. ☐

Phone: () _____

☐ Corporation—State _____

☐ Union ☐ Nonunion

Stockholders/Partners		Age	Title	% Interest or # Shares	Responsibilities	Spouse's Name
Name	Personal Address/Zip Code					

Affiliated, Subsidiaries, or Other Business Interest:

Name	% Interest or # Shares	Name of Stockholder, Etc.	Type of Business	Union or Nonunion
				<input type="checkbox"/>
				<input type="checkbox"/>

Key Personnel in Addition to Owners: (to include the Corporate **SECRETARY** if not listed as Stockholder)

Name	Age	Title	Years with Company	Responsibilities

1. Type of Work: _____ Do with own forces? _____
2. Type of work you sub out: _____ Do you bond subs? _____
3. Territory: _____
4. What percentage of work for Government Agencies _____% Private Owners _____% Bonded _____%
5. Largest Project: \$ _____ Type: _____ When Completed: _____
6. Largest Program Uncompleted at One Time: \$ _____ Year: _____
7. What size projects are you best qualified to handle now? _____ Program Now: \$ _____
8. Present Bond Company: _____ Agent: _____
9. Prior Bond Companies: _____ Agent: _____
10. Have you ever failed to complete a contract? _____ Yes _____ No If "Yes," explain on Page 4.
11. Have you been turned down by present or prior surety? _____ Yes _____ No If "Yes," explain _____

12. Reason for Leaving Present Surety: _____

PERFORMANCE RECORD

13. List the four largest contracts you have completed during the past three years:

Owner or General Contractor	Kind of Work and Location	Name and Address of Architect or Engineer	Approximate Contract Price	Year Completed

14. Name the four houses from whom you buy most of your materials:

Name	Street Address	State	Zip

15.

Name of Bank Mailing Address	Phone No. ()	Officer	Maximum Line	Present Amount Owing	Secured By Nature of Security or Name of Endorser

16. List Life Insurance of Principal Officers/Stockholders owned by the Company:

Life Company	Face Amount	CVLI	Amount Borrowed	Person Insured/ Beneficiary

17. Personal Life Insurance (include buy-sell insurance, if applicable):

Life Company	Face Amount	CVLI	Amount Borrowed	Person Insured/ Beneficiary

18. Is there a Buy-Sell Agreement? _____ Yes _____ No If "Yes," please attach a copy.

19. Is it presently funded? _____ Yes _____ No If "Yes," explain. If "No," what are your continuity plans? _____

20. Is there any significant controversy and/or litigation pending regarding any matter, business or personal, company or owners, including serving on a Board of Directors or as a Trustee? _____

Is it a matter covered by insurance? _____

Explain: _____

(additional space Page 4)

21. Have you or any stockholder or major management person ever filed for bankruptcy or in a management capacity of a firm that has? _____ Yes _____ No

22. Does the business or any owners, etc., indemnify or endorse notes for any business or person other than the principal business, an affiliate, or subsidiary? _____ Yes _____ No

If "Yes," explain: _____

(additional space Page 4)

23. Are stockholders on any Board of Directors? _____ Yes _____ No. If "Yes," please list:

Organization	Type	Person Serving

FINANCIAL RECORDS

24. What type of bookkeeping system do you use? _____
25. Are the records kept on a "per job" basis? _____ By Whom? _____
26. How often are these records reviewed? _____ By Whom? _____
27. Do you engage a C.P.A.? _____ Name and Address: _____
28. How often do you take trial balances? _____ Financial Statements? _____
29. Compilation: _____ Review: _____ Full Audit: _____
30. Tax Basis: Cash _____ Accrual _____ Completed _____ % Completion _____ Sub. S. _____
31. Last Audit by IRS: _____ Results: _____
32. Name of Property/Casualty Insurance Company: _____
Agent: _____
33. Do you plan any significant changes in Management _____ Equipment _____ Real Estate _____?
34. FOR NEW APPLICANTS, ATTACH THE LAST THREE FISCAL YEAR-END FINANCIAL REPORTS AND MOST CURRENT INTERIM, WITH CONCURRENT WORK-ON-HAND REPORTS:
a. for applicant company;
b. affiliate's subsidiaries or other business interest; and
c. concurrent personal statements of major stockholders.
35. Attach most recent bank letter(s).

Additional comments, if any, or explanations or comments on questions asked elsewhere on this form: _____

THE INFORMATION IN THIS CONTRACTOR INFORMATION REPORT IS GIVEN TO THE CINCINNATI INSURANCE COMPANY WITH THE UNDERSTANDING THAT IT WILL BE USED AS AN INDUCEMENT TO EXTEND SURETY CREDIT. THE COMPANY IS AUTHORIZED TO VERIFY ALL OF THIS INFORMATION.

Witness: _____ Contractor: _____

Date: _____ Signed by: _____

President

(THIS MUST BE SIGNED BY THE PRESIDENT OR ALL PARTNERS)

**CONTRACTOR _____
SCHEDULE OF POSITION ON UNCOMPLETED WORK AS OF _____**

CONTRACTS COMPLETED SINCE LAST REPORT:

BN-1200 (8/98)

INSTRUCTIONS FOR COMPLETING FORM

Every uncompleted contract, whether bonded by us or not, should be listed together with those contracts which have been completed during your present fiscal year or portion thereof. The information provided should be as of the date of the financial statement with which this form is to be submitted.

1. **Contract Including Change Orders**-Insert the present amount of the contract after giving effect to all change orders received to date.
2. **Billed To Date Including Retainage**-The gross amount billed against the contract to date including amounts billed for materials stored at the job site (or elsewhere).
3. **Job Costs Incurred To Date**-Direct costs are those which your accountant treats as job costs, as distinguished from overhead. Classify direct job costs the same as your accountant does in preparing your Income Statement.
4. **Current Estimated Cost To Complete**-This amount can be obtained only through an engineering estimate of the cost of completing each contract as of the effective date of this report. Please do not use the amount of the original cost estimate made before bidding the job less costs incurred to date as many conditions encountered in prosecuting the work can result in such a figure being unreliable as an accurate measure of the costs which reasonably can be anticipated in completing the contract. The engineering estimate of cost to complete should include all elements of costs which are included in costs incurred to date.
5. **Estimated Gross Profit At Time Of Bid**-This is the total gross profit which was anticipated when the job was bid.



Agency Name: The Southern Agency, Inc. 41-154

BID WORKSHEET

Company Name: _____

Obligee : _____

Description : _____

Location : _____

Bid Date : _____

Bid Bond : _____

Perf & Payt Bonds (Y/N) : _____ ; % : _____

Estimated Bid: \$ _____

Breakdown :

Major Subs :

labor : _____ (%) _____ \$ _____

matl : _____ (%) _____ \$ _____

subs : _____ (%) _____ \$ _____

profit : _____ (%) _____ \$ _____

Maintenance period : _____ yrs.

Start Date: _____

Completion date : _____

Penalty: \$ _____

Payments : _____

BACKLOG:

uncompleted work : \$ _____ (cost to complete)

bids outstanding : \$ _____

+ this contract : \$ _____

= Total : \$ _____



THE CINCINNATI INSURANCE COMPANY
THE CINCINNATI CASUALTY COMPANY
6200 S Gilmore Rd, Fairfield OH 45014-5496

CINCIBOND®
Surety Made Simple®

Commercial Surety Bond Application

Bond No.:

COMPLETED BY AGENCY	Agency Name: THE SOUTHERN AGENCY, INC.		Agency Code: 41-154	
	Producer: DEREK WIRZ		<input type="checkbox"/> Agency P&C Account	<input type="checkbox"/> Cincinnati Insured
ALL APPLICANTS complete this section Where "Yes" attach explanation	Applicant:		Phone:	
	Street Address:			
	City, State, ZIP:		County:	
	Type of Bond:	Bond Limit: \$	Effective Date:	
	Has there ever been a claim filed under any bond issued on your behalf? <input type="checkbox"/> Yes <input type="checkbox"/> No			
	Has the applicant/owner ever declared bankruptcy, either personally or for a business in which you had an ownership interest? <input type="checkbox"/> Yes <input type="checkbox"/> No		Has the applicant/owner ever been convicted of a crime other than a minor traffic violation? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Mailing Address (if different than above):				
BUSINESS APPLICANT	FEIN:	Industry:	Year established:	
	<input type="checkbox"/> Sole-Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Other:			
	Owners/partners & percentages:			
	Parent / Subsidiaries / Affiliates Companies:			
INDIVIDUAL APPLICANT	SSN:	Date of Birth:	Occupation:	Since:
	Any known credit concerns: <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please comment:			

PLEASE COMPLETE THE APPROPRIATE NUMBERED SECTION FOR TYPE OF BOND:

1	LICENSE & PERMIT MISCELLANEOUS	Complete Name and Address of Obligor:		
2	MEDICARE OR MEDICAID SUPPLIER	National Provider No.:	PTAN:	
		Are you licensed / certified by a state agency or board? Yes No		
		If "Yes", State:	License No.:	Since:
3	LOST SECURITY	Issuer of Security:		
		Description of Security:	Security Number:	Date of Security:
		Registered Name / How is it payable?	If stock, number of shares:	Price Per Share: \$
		If a check, has payment been stopped? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", when?	Was security endorsed? <input type="checkbox"/> Yes <input type="checkbox"/> No	Required bond penalty: <input type="checkbox"/> Fixed <input type="checkbox"/> Open
		Has notice of loss been given? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", when? To whom?		
		Part of probate case? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", probate bond required? <input type="checkbox"/> Yes <input type="checkbox"/> No Surety?		
4	*PROBATE Where "Yes" attach explanation	Name of Deceased/Ward:		Applicant Relationship to Deceased/Ward:
		If Deceased, Date of Death:	If Ward, Age & Condition:	Will any business of the estate be continued by the fiduciary? <input type="checkbox"/> Yes <input type="checkbox"/> No
		Who are the heirs of the estate?		Previous Surety? <input type="checkbox"/> Yes <input type="checkbox"/> No
		Assets of estate: \$ (Personalty)	\$ (Real Estate)	Is there a trust involved? <input type="checkbox"/> Yes <input type="checkbox"/> No
		Name and Address of Attorney: (*Required, see below statement)		
		Name and Address of Court:		
		What is the applicant's experience in handling fiduciary responsibilities?		
5	*COURT Attach court documents	Plaintiff:	Defendant:	
		Name and Address of applicant's Attorney: (*Required, see below statement)		
		Name and Address of Court:		

***FOR PROBATE OR COURT, APPLICANT AGREES TO HAVE AN ATTORNEY HANDLING THE CASE AT ALL TIMES**

GENERAL STATEMENT Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects the person to criminal and [NY: substantial] civil penalties. (Not applicable in CO, DC, FL, HI, KS, MA, MN, NE, OH, OK, OR, VT or WA; in LA, ME, TN, and VA, insurance benefits may also be denied)

APPLICABLE IN COLORADO It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement of award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

APPLICABLE IN THE DISTRICT OF COLUMBIA WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.

APPLICABLE IN FLORIDA Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

APPLICABLE IN HAWAII For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

APPLICABLE IN KANSAS Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

APPLICABLE IN MASSACHUSETTS, NEBRASKA, OREGON AND VERMONT Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, may be committing a fraudulent insurance act, which may be a crime and may subject the person to criminal and civil penalties.

APPLICABLE IN MINNESOTA Any person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

APPLICABLE IN OHIO Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deception statement is guilty of insurance fraud.

APPLICABLE IN OKLAHOMA WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

APPLICABLE IN WASHINGTON It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

FAIR CREDIT REPORTING ACT PRE-NOTIFICATION:

This is to inform you that, as part of our procedure for processing your application, an investigative report may be made whereby information is obtained through third-party credit reporting agencies and/or personal interviews with third parties, such as family members, business associates, financial sources, friends, neighbors or others with whom you are acquainted. This inquiry includes information as to your character, general reputation, personal characteristics and mode of living, whichever may be applicable. You have the right to make a written request within a reasonable period of time for a complete and accurate disclosure of additional information concerning the nature and scope of the investigation and to request a copy of "A Summary of Your Rights Under the Fair Credit Reporting Act". Information obtained during this investigation may be shared with your insurance agent/agency for the purpose of seeking additional information or to provide clarification.

GENERAL INDEMNITY AGREEMENT: The undersigned applicant and indemnitor(s) hereby request The Cincinnati Insurance Company and/or The Cincinnati Casualty Company (the "Company") to become surety for the above applicant for the bond described herein, including any extension, renewal, increase or decrease thereof. The undersigned certify to the truth of all statements in the application and do jointly and severally agree:

- (1) That the Company is authorized to obtain information through third-party credit reporting services and/or personal interviews with third parties such as business associates, financial institutions or others with whom the undersigned may be acquainted or associated and that the Company is further authorized to share such information with the insurance agent/agency as may be necessary for the purpose of seeking additional information or clarification from the undersigned;
- (2) That the Company is authorized to share any information provided or obtained with reinsurance companies contracted to provide surety reinsurance to the Company for the purpose of approving bonds requested by the applicant or for routine underwriting conducted by such reinsurance companies;
- (3) To pay the usual premiums, including but not limited to initial, renewal and amended premiums;
- (4) To supply in a timely manner any such information requested by the Company as is customary and/or reasonable for purpose of underwriting or adjusting claims related to this bond any amendment to or extension thereof or any subsequent bond covered under this agreement;
- (5) That the Company shall have the right to handle or settle any claim or suit in good faith;
- (6) To completely indemnify the Company from and against any liability, loss, cost, attorneys' fees, and expenses whatsoever, including the enforcement of this agreement, 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;
- (7) That 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;
- (8) That upon demand by the Company in the event it deems it necessary to establish a reserve, to deposit cash funds with the Company in an amount sufficient to satisfy any claim against the Company by reason of such suretyship;
- (9) In the event of any payment of loss and/or expense by the Company, to pay the Company interest on such amounts at the legal rate for the State of Ohio from the date such payments are made;
- (10) That the Company may decline to become surety on any bond or may cancel or amend any bond without cause and without any liability which might arise therefrom;
- (11) To hereby waive notice of any change, alteration, or extension of any bond, and agree that this indemnity shall cover any subsequent bond of any type for the applicant that may be issued by the Company;
- (12) That a true photocopy, digital scan, facsimile or other true copy of this agreement and signatures shall not be contested by the undersigned on the basis that is not an original and that such true copy shall be equally binding and enforceable as the original according to all the terms and conditions contained herein;
- (13) That at the Company's discretion, this indemnity agreement shall be governed in all respects by the laws of the State of Ohio and the undersigned applicant and indemnitor(s) hereby waive their defense of personal jurisdiction, and consent to personal jurisdiction and venue of the courts of the State of Ohio and the United States District Courts for the District Courts of Ohio in all actions or proceedings arising from or relating to this indemnity agreement;
- (14) That this indemnity may be cancelled as to subsequent liability by an indemnitor upon "Registered Mail" written notice to the Company at The Cincinnati Insurance Companies, Attention: Surety Department, P.O. Box 145496, Cincinnati, Ohio, 45250-5496, effective thirty (30) days after the earliest day thereafter upon which the Company receives the notice, but this provision shall not apply to bonds already committed to be written for the applicant by the Company or any bonds previously written for the applicant prior to notice.

The undersigned applicant and indemnitor(s) certify that they have read and understood the entirety of this application including each and all of the preceding numbered pages and hereby agree to all of the terms and conditions contained herein.

APPLICANT:

A	Name: _____		
	SIGNED:		WITNESSED:
	By: _____	Date: _____	By: _____
	Print Name & Title: _____		Print Name: _____

THIRD-PARTY INDEMNITOR: MUST ATTACH RESOLUTION OF THE BOARD/PARTNERS

B	Name: _____		FEIN: _____
	Street Address: _____		
	City, State, ZIP: _____		Phone: _____
	SIGNED:		WITNESSED:
	By: _____	Date: _____	By: _____
	Print Name & Title: _____		Print Name: _____

INDIVIDUAL INDEMNITORS:

C	Name: _____		SSN: _____
	Street Address: _____		
	City, State, ZIP: _____		Phone: _____
	SIGNED:		WITNESSED:
	By: _____	Date: _____	By: _____
	(INDIVIDUALLY)		Print Name: _____
D	Name: _____		SSN: _____
	Street Address: _____		
	City, State, ZIP: _____		Phone: _____
	SIGNED:		WITNESSED:
	By: _____	Date: _____	By: _____
	(INDIVIDUALLY)		Print Name: _____
E	Name: _____		SSN: _____
	Street Address: _____		
	City, State, ZIP: _____		Phone: _____
	SIGNED:		WITNESSED:
	By: _____	Date: _____	By: _____
	(INDIVIDUALLY)		Print Name: _____
F	Name: _____		SSN: _____
	Street Address: _____		
	City, State, ZIP: _____		Phone: _____
	SIGNED:		WITNESSED:
	By: _____	Date: _____	By: _____
	(INDIVIDUALLY)		Print Name: _____



THE CINCINNATI INSURANCE COMPANY
THE CINCINNATI CASUALTY COMPANY

Completion Bond Questionnaire
PLEASE PRINT OR TYPE

CINCIBOND®
Surety Made Simple®

1. Project owner: _____

2. Is the principal a Cincinnati Insurance account ☐ Yes ☐ No

3. Has the principal needed any other Surety Bonds in the last 12 months? ☐ Yes ☐ No

If "Yes" provide the name of the Surety Company: _____

4. Complete scope & description of work (attach applicable project plans): _____

5. Work performed by: _____

A) If Principal, qualifications for performing such work: _____

B) If other than Principal:

a) Contractor selected through:

☐ Competitive bid

☐ Competitive selection/Estimates

☐ Reputation/Familiarity with work

☐ Advertisement/No prior knowledge of work

b) Contractor retained through:

☐ Parties have entered into a written contract (please attach copy)

☐ Estimate/bid and verbal agreement (please attach estimate/bid)

Will parties enter into a formal written contract before work begins? ☐ Yes ☐ No

c) Has the contractor performed work for you before? ☐ Yes ☐ No

If Yes, was a completion or performance bond required? ☐ Yes ☐ No

If Yes, was the work fully released without claim? ☐ Yes ☐ No- attach explanation

d) Has project owner required a performance bond for this project? ☐ Yes ☐ No

e) Will any of the work for this project be subcontracted? ☐ Yes ☐ No

If Yes, describe subcontracted work: _____

Will subcontractor performance bonds be required? ☐ Yes ☐ No

6. Project start date: _____ Expected duration or completion date: _____

Will the obligee inspect the project to release the bond upon completion date listed above? ☐ Yes ☐ No

If No, when will the work be inspected? _____

7. Total cost of project: _____

8. How will project be financed? _____

Has all project financing been secured? ☐ Yes ☐ No

How will funds be released? _____

9. Has the obligee required a separate maintenance bond for this project? ☐ Yes ☐ No

If Yes, amount of bond: _____ Term: _____

Completed by: _____ Title: _____ Date: _____

If issued, this bond will remain in full force and effect until an authorized project or bond release is signed by the obligee and provided to The Cincinnati Insurance Companies. While the bond remains in force, renewal premiums will be charged. For longer term projects, prepayment of premium up to 3 years may be required. Upon cancellation, unearned premium will be returned subject to a fully-earned first year premium and annual minimum premiums at the amount filed within the applicable State.