



www.cnasurety.com

Form 10-E
Supplemental for
EASY APPLICATION FOR TEXAS MEDICAID PROVIDER BOND

Which Medicaid services do you provide? (choose one)

Durable Medical Equipment
Home Health Care

Federal Tax ID # _____ Medicaid Provider # (if available) _____

If you are any of the following please provide business and personal financial statements (Form 60 available under Bond Applications at CNASurety.com) and answer all the questions below:

- A home health care business
- A durable medical equipment business that needs **multiple bonds** and is not licensed as a pharmacist, optician, hospital, clinic, or skilled care facility
- A licensed pharmacist, optician, hospital, clinic, or skilled care facility that needs **more than 3 bonds**

How many years have you been receiving Medicaid reimbursement? _____ Approximate dollar amount of Medicaid billings in the last year \$ _____ Expected in upcoming year \$ _____

Are you Medicare certified? Yes No. If you are Medicare certified, what is your 10 digit National Provider Identifier (NPI) number? _____

List any Medicaid Accreditation Organizations you have and the dates of accreditation

Date of your last audit by Medicaid _____ Any citations or problems reported? _____
If yes, describe: _____

Have you ever had a Medicare or Medicaid license revoked or experienced an adverse legal action relative to Medicare or Medicaid? _____ If yes, describe: _____

GENERAL INDEMNITY AGREEMENT

THIS AGREEMENT is made by the undersigned Indemnitors ("Indemnitors") for the benefit of Surety in connection with any Bond, as defined below, which may have been or may hereafter be provided for the benefit of or at the request of any one or more Indemnitors. If any Indemnitors have previously executed an indemnity agreement in favor of Surety, this Agreement shall be in addition to and not in lieu of or in replacement of such other agreement.

I. DEFINITIONS. The following terms shall be defined as follows for purposes of this Agreement:

A. **Bond:** Any surety bond, undertaking, or other obligation in the nature of a guaranty or suretyship, as well as alterations, amendments, extensions, substitutions, and renewals issued or procured by the Surety on, before, or after the date of this Agreement for (a) any Indemnitor or any of their respective parent companies, subsidiaries, and affiliates; (b) any joint venture, partnership, association, limited liability company, or other legal entity in which one or more of the persons and entities identified above in sub-paragraph (a) have a direct or indirect interest; or (c) at the request of any Indemnitor.

B. **Contract:** Any contract or obligation whose performance is covered or guaranteed under a Bond.

C. **Event of Default:** Any one or more of the following: (a) any breach of the terms and conditions of this Agreement; (b) Principal's breach, abandonment or forfeiture of a Contract; (c) any bankruptcy, insolvency, assignment for the benefit of creditors, appointment of a receiver or conservator, or similar proceeding concerning the Principal or any Indemnitor, whether voluntary or involuntary.

D. **Loss:** Any (a) claim, demand, liability, charge, suit, fee, or expense, including but not limited to attorney (both outside and in-house) and consultant fees, incurred by the Surety as a result of issuing or procuring a Bond; (b) cost incurred by Surety in procuring or attempting to procure a release from liability under a Bond; (c) cost incurred in investigation or adjustment of any claim or potential claim under a Bond; (d) costs incurred by Surety in enforcing the Indemnitors' obligations under this Agreement; and (e) any other cost incurred by Surety arising from the issuance or procurement of a Bond. The term Loss shall also include any advances or loans to any Principal or Indemnitor that are not repaid to the Surety as required by the terms of such advances or loans.

E. **Principal:** The person(s) and entity (ies) whose Contract obligations the Surety is requested to guarantee by issuing or procuring a Bond. Principal includes any person or entity identified on a Bond as "Principal" or "Contractor."

F. **Surety:** "CNA Surety" is a business brand for CNA's marketing of surety business written through Continental Casualty Company and its insurance subsidiaries including Western Surety Company, Surety Bonding Company of America, and their respective parent and subsidiary companies, affiliates, predecessors, successors, assigns and reinsurers. The term Surety shall also include any other person or entity which, at the request of the above, may act as surety or co-surety on any Bond.

II. INDEMNITY. The Indemnitors agree:

A. To defend, indemnify, and save harmless Surety from and against any and all Loss Indemnitor which the Surety may pay or incur.

B. To pay Surety all premium due on Bonds at the rates and times specified by the Surety. The Indemnitors specifically acknowledge and agree that the Surety's right to charge and collect premiums continues until the Surety is provided written evidence, satisfactory to the Surety that (i) its liability on such Bond has been discharged or (ii) its termination of liability as a matter of law.

C. That in any claim or suit arising out of or related to any Bond or this Agreement, an itemized statement of Surety's loss and expense, sworn to by a representative of Surety, or other evidence of disbursement by Surety, shall be prima facie evidence of the fact and extent of Indemnitor's liability under this Agreement.

D. To deposit collateral security with the Surety upon demand in an amount that Surety shall reasonably determine is necessary to protect it from Loss whether or not Surety has made any payment.

E. That in the Event of Default: (a) the Surety shall have the right, but not the obligation, to take possession of the work under any Contract, to complete such Contract, or cause or consent to the completion thereof, with any cost thereof being Loss; (b) the Indemnitors hereby assign, transfer, and set over to the Surety all of their rights under the Contracts, including: (i) their right, title and interest in and to all subcontracts let in connection therewith; (ii) all machinery, plant, equipment, tools and materials upon the site of the work or elsewhere for the purposes of the Contracts, including all material ordered for the Contracts; (iii) all patents, licenses, permits and computer software used for the performance of any Contract and/or financial record keeping of the same; (iv) all actions, causes of action, claims and demands whatsoever relating to the Contracts; and (v) any and all sums due under the Contracts at the time of the Event of Default or which may thereafter become due; (c) the Indemnitors hereby authorized the Surety to endorse in the name of the payee, and to receive and collect any check, draft, warrant or other instrument made or issued in payment of any such sum, and to disburse the proceeds thereof; and (d) the Indemnitors hereby irrevocably nominate, designate and appoint the Surety and its designees as their attorney-in-fact with all the powers necessary to exercise any right granted in this Agreement, including but not limited to the power to make, endorse, execute, sign, and deliver any and all additional or other instruments, checks, drafts, deposits, ACH and wire transfer directives and orders, change of address notices, liens and releases thereof, applications, certificates, draw requests, orders, releases, and papers deemed necessary or desirable by the Surety in order to give full effect to the obligations assumed and the agreements made by Indemnitors hereunder, the assignments and conveyances made herein, and the full protection intended to be herein given to the Surety under all the provisions of this Agreement. The Indemnitors ratify and confirm all acts undertaken by the Surety and/or its designees as such attorney-in-fact.

F. That all payments earned on any Contract shall be held in trust as trust funds for the completion of the Contract and the payment of Indemnitors' obligations for labor, material, equipment, supplies or services furnished in the performance of the Contract. Upon an Event of Default and the Surety's request, Indemnitors shall open an account with a bank acceptable to the Surety for the deposit of such trust funds.

G. That upon an Event of Default, the Indemnitors grant the Surety a security interest in all property, rights, and assets of the Indemnitors, including, but not limited to, all inventory, equipment, instruments, investments, contracts rights and proceeds, insurance, accounts, and deposits ("Collateral"). This Agreement shall constitute a Security Agreement and a Financing Statement for the benefit of the Surety in accordance with the Uniform Commercial Code and any similar statute and may be so used by the Surety without in any way abrogating, restricting or limiting the rights of the Surety. Indemnitors authorize the Surety upon an Event of Default to file this Agreement or a photocopy thereof and any schedules or statements necessary to describe the Collateral covered by such filing.

III. GENERAL PROVISIONS. The Indemnitors further agrees as follows:

A. **Books and Records; Credit Reports.** Upon demand and reasonable notice, the Surety shall be provided access to the books and record of the Indemnitors which includes but is not limited to papers, books, records, contracts, reports financial information and electronically stored information for the purpose of review and copying. The Surety is authorized to obtain a credit report on any Indemnitor at any time while the Surety may be liable under any Bond.

B. **Joint and Several Liability.** Indemnitors' obligations under this Agreement are joint and several. Surety's release of any one Indemnitor shall not release any other Indemnitor. No action or inaction of Surety with respect to anyone other than Indemnitor shall relieve the Indemnitor of any obligation owned under this Agreement. Indemnitor shall not be released from liability under this Agreement because of the status, condition, or situation of any party to this Agreement or any Principal.

C. **Defects in Execution.** If the execution of this Agreement by any Indemnitor is defective or invalid for any reason, such defect or invalidity shall not affect the validity hereof as to any other Indemnitor. Should any provision of this Agreement be held invalid, the remaining provisions shall retain their full force and effect.

D. **Prior Bonds.** Indemnitors waive any defense related to the date of this Agreement's execution and acknowledge that any and all Bonds executed pursuant to any Indemnitor's request before the date of this Agreement were executed by the Surety in reliance on this Agreement. Indemnitors understand and agree that this Agreement is a continuing agreement to indemnify over an indefinite period.

E. **Claim Notices.** Immediately upon becoming aware of any claim, demand, or proceeding concerning a Bond, the Indemnitors shall send written notice of the same to Surety by electronic mail to claims@cnaSurety.com with the original sent to CNA Surety at: CNA Surety, Claim Department, 151 North Franklin, 17th Floor, Chicago, IL 60606.

F. **Claim Settlement.** Surety shall have the right in its sole discretion to decide whether any claims arising out of or related to any Bond shall be paid, compromised, defended, prosecuted, or appealed regardless of whether or not suit is actually filed or commenced against Surety upon such claim. Absent Surety's intentional wrongdoing, Indemnitor agrees to be conclusively bound by Surety's resolution of any and all claims and to accept Surety's determination of liability in regard to any and all claims.

G. Bond Declination. Surety may decline to execute any Bond for any reason and shall not be liable to Indemnitor, or any person or entity, as a result of such declination.

H. Termination. An Indemnitor may terminate liability to Surety under this Agreement by sending written notice of intent to terminate to Surety by electronic means to uwservices@cnasurety.com, with the original sent to CNA Surety by registered mail, in care of Western Surety Company, P.O. Box 5077, Sioux Falls, SD 57117-5077. Termination will be effective twenty days after actual receipt of such notice by Surety, only for Bonds signed or committed to by Surety after the effective date of termination.

I. Issuing Surety. Indemnitors understand and agree that other than for the entity issuing a Bond, no other entity included within definition of the "Surety" in this Agreement assumes any obligation whatsoever with respect to either this Agreement or such Bond.

J. Electronic Image. An electronic signature, e-signature, eSignature, electronic image, printout, copy, or facsimile of this Agreement shall be considered an original and shall be admissible in a court of law to the same extent as an original copy.

K. Bond Changes. The Indemnitors' obligations to the Surety shall remain unchanged in the event of any changes in any Bond without regard to notice or consent by any Indemnitor. The Surety shall have no obligation to give the Indemnitors notice of the execution, renewal, or modification of a Bond.

L. Other Agreements. Indemnitors agree that this Agreement is not a replacement, release, or alteration of any other agreement between any Indemnitor and the Surety but shall be in addition to such other agreement unless expressly stated otherwise herein.

M. Amendment; Assignment. This Agreement may not be altered or amended except by a writing executed by the Indemnitors and the Surety. This Agreement and the Indemnitors' obligations hereunder may not be assigned without the prior written consent of the Surety.

N. Date of Agreement. The date of this Agreement shall be the earliest date that any Indemnitors executes this Agreement.

PLEASE NOTE: Indemnity is required of the entity AND all owners and spouses personally. (1) Applicant must provide the indemnity of the entity by dating and signing with authorized title below. (2) All owners and their spouses must sign as personal indemnitors. Refer to the boxes at the right for examples of proper indemnity by indemnitor type. BY SIGNING (WHETHER ELECTRONICALLY OR TRADITIONALLY) THIS GENERAL INDEMNITY AGREEMENT, INDEMNITORS ARE ACKNOWLEDGING THEY HAVE READ AND AGREE TO BE BOUND BY ALL TERMS AND CONDITIONS ON PAGES ONE AND TWO OF THIS DOCUMENT.

(1) Dated: _____, _____, _____
(Month) (Day) (Year)

Company Name (Print): _____
(As listed on questionnaire)

Entity Type:	Proper Indemnity:
Sole Proprietor	John Doe, Owner
Partnership	Jane Doe, Partner
Corporation	John Doe, President
LLC	Jane Doe, Managing Member

Authorized Signature X _____ Title: _____
(Printed) _____ Title: _____

Indemnitor Type:	Proper Indemnity:
Personal	John Doe, Indemnitor
Spouse	Jane Doe, Indemnitor

(2)

Indemnitors: Signature X _____ Indemnitors: Signature X _____
(Printed) _____ Spouse: (Printed) _____

Indemnitors: Signature X _____ Indemnitors: Signature X _____
(Printed) _____ Spouse: (Printed) _____

Indemnitors: Signature X _____ Indemnitors: Signature X _____
(Printed) _____ Spouse: (Printed) _____

Indemnitors: Signature X _____ Indemnitors: Signature X _____
(Printed) _____ Spouse: (Printed) _____

All business submitted on this Indemnity Agreement shall be reviewed and underwritten by Western Surety Company, P.O. Box 5077, Sioux Falls, SD 57117-5077

Guidelines for Signing a Form 10-E Easy Application for Bonds

We have examples showing five ways to sign an application.

1. Individual or Sole Proprietorship.

Signed this 3rd day of November, 2008

Signature & Business/Corporate Title John Doe "Indemnitor"

Jane Doe "Indemnitor"

"Indemnitor"

NOTE: Personal indemnitors should sign their names before the word "indemnitor".

The individual or sole owner and spouse should sign at the bottom of the application before the word "Indemnitor".

2. Partnership.

Signed this 3rd day of November, 2008

Signature & Business/Corporate Title John Doe "Indemnitor"

James Doe "Indemnitor"

Jane Doe "Indemnitor"

Ann Doe, Indemnitor

NOTE: Personal indemnitors should sign their names before the word "indemnitor".

Each partner and his or her spouse should sign at the bottom of the application before the word "Indemnitor". If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting.

3. Corporation.

Signed this 3rd day of November, 2008

John Doe, President

Signature & Business/Corporate Title John Doe "Indemnitor"

James Doe "Indemnitor"

Jane Doe "Indemnitor"

* Ann Doe, Indemnitor

NOTE: Personal indemnitors should sign their names before the word "indemnitor".

An officer should first sign on behalf of the corporation (indicating his/her corporate title; however, "owner" is NOT an acceptable title) and then sign a second time as a personal indemnitor, before the word "Indemnitor". All other owners should also sign as personal indemnitors before the word "Indemnitor" on each line. In most cases, the owners' spouses also need to sign. If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting.

* In most cases, the owners' spouses may also need to sign.

4. Limited Liability Company or Partnership.

Signed this 3rd day of November, 2008

John Doe, Manager

Signature & Business/Corporate Title John Doe "Indemnitor"

James Doe "Indemnitor"

* Jane Doe "Indemnitor"

* Ann Doe, Indemnitor

NOTE: Personal indemnitors should sign their names before the word "indemnitor".

An authorized manager, member, or partner should first sign on behalf of the Limited Liability Company or Partnership (indicating his/her company/partnership title; however, "owner" is NOT an acceptable title) and then sign a second time as a personal indemnitor, before the word "Indemnitor". All other members/owners/partners should also sign as personal indemnitors before the word "Indemnitor" on each line. In most cases the members'/owners'/partners' spouses also need to sign. If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting.

* In most cases, the members'/owners'/partners' spouses may also need to sign.

5. Outside Indemnity (Relatives, Friends).

Signed this 3rd day of November, 2008

Signature & Business/Corporate Title John Doe "Indemnitor"

Jane Doe "Indemnitor"

John Henry "Indemnitor"

Joseph Smith, Indemnitor

NOTE: Personal indemnitors should sign their names before the word "indemnitor".

When outside indemnity is required, the proposed indemnitors should sign at the bottom of the application below the applicants' signatures before the word "Indemnitor". If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting.

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