

INSURANCE PREMIUM FINANCING APPLICATION FORM (PLEASE FILL IN DETAILS IN CAPITAL LETTERS)

Date Application Submitted: _____

Name of Applicant: _____ Pin No. _____

Business/Postal Address: _____

Tel No. _____ Mobile No. _____ Fax No. _____

Physical Address: _____
(Give Plot No. & Road)

Profession, Trade or Occupation: _____

Name & Address of Employer: _____
(Where Applicable)

Name & Address of Bankers: _____

Current/Savings Account Number: _____

Total Insurance Premium Amount (Kshs): _____

Amount Applied For Kshs: _____

Insurance Company: _____

Insurance Broker/Agent: _____

Financing Period Requested: _____ (Max. 10 Months)

Policy Start Date _____ Expiry Date _____

I/We certify that the details given in this application are true and correct to the best of my/our knowledge.

Applicant Signature

Position: _____

(Under Company's Stamp if applicable)

With this application, please attach the following:

- Copy of Certificate of Incorporation/Certificate of Registration
- Copies of Identity Cards and PIN Certificates
- Memorandum and Articles of Association (if Limited Company)
- A Confirmation of premium payable from the respective Insurance Company or Broker

INSURANCE PREMIUM FINANCING APPLICATION FORM (PLEASE FILL IN DETAILS IN CAPITAL LETTERS)

This Insurance Premium finance Agreement ("this Agreement") is made on the

_____ day of _____ between the

Borrower

whose address is care of P.O.Box _____ Postal Code _____

Town _____ Telephone No. _____ being the

person(s) or company(ies) named in the Policy Schedule and includes the

Borrower's successor(s) or personal representative(s) (as the case may be) and

assigns of the first part:

The Bank

Paramount Bank Limited whose address is care of P.O.Box number 14001-

00800, Nairobi, Kenya and includes its successors and assigns of the

second part; and

The Insurer

_____ whose address is care of P.O.Box _____

Postal Code _____ Town _____

Telephone Number _____ being the Insurer named in the

Policy Schedule and includes the successors and assigns of the third part.

The Policy

Being the Policy or Policies (as the case may be) set out in the Policy Schedule

The Repayment Details:

Premium Amount _____ Interest Rate (%) _____

Interest Amount _____ Monthly Installment _____

Number of Monthly Installments _____

Mode of Payment (Tick one)

Post-Dated Cheques

Standing Order

Current Account Debit

Name of Bank, Branch: _____

Account Number: _____

Policy Schedule

Type of Cover	Policy Number	Start Date	End Date	Premium

Now this Agreement and Guarantee witnesseth as follows:

In consideration of the bank agreeing to advance to the Borrower the Premium Amount due to the Insurer (as defined in the Policy Schedule) by the Borrower being the amount payable to the Insurer under the Policy (as defined in the Policy Schedule.):

1. The Borrower hereby:

- a) Agrees to pay to the Bank punctually and without any prior demand or deduction or set-off whatsoever the consecutive monthly installments in the Policy Schedule and in the manner therein and herein set out and to give effect thereto the Borrower authorizes the Bank to open a loan account ("the Account") in the name of the Borrower and to debit the Account with the Premium Amount and any other charges and interest as herein specified. It is a condition of this Agreement that the Borrower shall deliver to the Bank in advance postdated cheques/ or standing order in favour of the Bank in respect of all the installments in the amounts and bearing the dates set out in the Policy Schedule ("cheques").
- b) The first installment shall be paid on the signing of this Agreement. Subsequent installments shall be payable monthly in advance.
- c) Agrees to pay to the Bank in addition to the applicable installment interest on any installment(s) or part installment which remains unpaid after becoming due at the rate of _____ % p.a. over and above the interest rate charged to the Account or at such other rate of interest as the Bank may specify as it's sole discretion (within the limits permitted by law and without seeking the borrower's approval thereof) such interest to accrue from day to day (as well after as before any judgment) until repaid in full.
- d) Agrees and acknowledges that the outstanding balance on the Account shall be payable on demand AND shall be payable forthwith without demand together with interest and all other monies owed by the Borrower to the Bank upon the happening of anyone or more of the following Events of Default:
 - i. Termination of the Policy/IPF contract by the Bank.
 - ii. If anyone or more of the Cheque(s) is dishonoured on presentation;
 - iii. If the Borrower breaches any of his obligations under this Agreement;
 - iv. If Receivers and Managers or Liquidators shall be appointed over the Borrower being a corporate body or if the Bank shall receive any notice of an intention to appoint any such Receiver and Manager or Liquidator as aforesaid;
 - v. If a petition for bankruptcy is filed or apprehended in regard to the Borrower being an individual;
 - vi. If the Borrower or the Insurer shall for any reason cancel any Policy of Insurance issued hereunder or pursuant hereto;
 - vii. If it becomes illegal for the Bank or the Borrower to continue with the present arrangement;
 - viii. If there are circumstances which in the sole opinion of the Bank may have an adverse effect on the ability of the borrower to perform the Borrower's obligations hereunder or under the policy.

- e) Warrants to the bank that the Policy is valid and the Borrower's agrees that the Policy shall remain valid throughout the course of the Borrower's indebtedness with the Bank and to give effect thereto the Borrower undertakes not to cancel the policy without the Bank's consent or do any act or commit any default whereby the Policy may become void or voidable or whereby an increased premium or charge may become payable (unless the Borrower promptly pays the additional charge or premium to the Insurer) provided that in case of default by the Borrower on any of the Borrower's obligations herein it will be lawful but not obligatory for the Bank to do whatever it may deem necessary to make good such default and any money expended by the Bank in that behalf with interest as provided above shall be debited in the Account and shall be repaid by the Borrower on demand.

2. The Bank

The provisions of this sub-clause shall be without prejudice to the Bank's rights set out in sub-clause (d) above.

- a) Authorizes and instructs the Insurer through the signing of this Agreement to register the Bank's interest in the Policy as a financier as well as the Bank's right under the power of attorney appointed hereunder to terminate the Policy and to receive the refund of the Premium Amount and the Borrower further covenants with the Bank that the Borrower shall procure that the Insurer complies with the aforesaid authorization and in any event the Borrower confirms that the Borrower shall hold any monies paid to the Borrower by the Insurer under the Policy in trust for the Bank and shall immediately upon receipt surrender such monies to the Bank to be credited to the Account. This shall subsist until the Bank confirms in writing that the Account has been redeemed in full.
- b) Appoints the Bank to be the Attorney of the Borrower and in the name and on behalf of the Borrower to execute and do any assurances acts and things which the Borrower ought to execute and do under the Policy including without limitation the power to terminate the Policy and to give good receipt and discharge thereof for the refund of the Premium Amount or any part thereof received by the Borrower on such termination or for any settlement paid under the Policy and the Borrower hereby ratifies all acts or deeds done by the Bank in exercise of the power herein conferred and absolves from blame any and all parties giving effect to such power AND the Borrower further confirms and agrees that any premium or part premium refunded as aforesaid or any settlement paid to the Bank will first be applied towards redeeming the Account in full and the blame (if any) released to the Borrower.
- c) Undertakes to pay all stamp duty and other duties and taxes (if any) to which this Agreement or any other document executed pursuant to this Agreement may be subject to (which duties and taxes shall be debited in the Account).
- d) Undertakes to reimburse the Bank on demand all expenses including legal expenses incurred by the Bank in the negotiation and preparation of this Agreement and all expenses incurred by the Bank in suing for or recovering any sum due to the Bank under this Agreement or otherwise in protecting or enforcing its rights under this Agreement.
- e) Undertakes that if the Bank shall so request the Borrower shall execute in favour of the Bank by way of security a legal assignment or mortgage over the policy to the Bank and the Borrower undertakes to meet all costs and expenses including the legal fees payable as a result.
- f) Confirms that no failure or delay by the Bank in exercising any right power or privilege under this Agreement shall impair the same or operate as a waiver for the same nor shall any single or partial exercise of any right power or privilege preclude any further exercise of the same or the exercise of any other right power or privilege.
- g) Warrants to the Bank that the Borrower has the power to enter into the transaction contemplated by this Agreement and that neither the execution hereof nor the performance or the observance of the Borrower's obligations hereunder will conflict with or result in any breach of any law regulation mortgage agreement or other instrument whatsoever.

3. The Insurer (being the guarantor)

- a) Covenants with the Bank that the policy validly exists and the details set out in the schedule regarding the policy are correct. The Insurer further covenants that upon cancellation or termination of the Policy by the Bank or by the Borrower the Insurer shall forthwith and without formal demand pay to the Bank the refundable Premium ("the Refundable Premium") without any deduction or set off whatsoever.

The Refundable Premium shall be calculated as follows:

$$\frac{\text{The Premium Amount X (365 - Number of days from the date of premium payment by the Bank to date of demand)}}{365 \text{ days}}$$

- b) The right of the Bank to the Refundable Premium and its interest as financier or assignee shall be noted on the Policy or by way of an endorsement to be issued in respect thereof following the execution of this Agreement and the Insurer shall provide the Bank with written proof of compliance with this sub-clause upon demand.
- c) Warrants that the right to cancel the policy and to pay the Refundable Premium shall override and prevail over any conflicting provisions in the Policy and the Refundable Premium shall be deemed to be refundable notwithstanding that a claim has arisen or payment has been made under the Policy unless the payment is made to the Bank.
- d) Upon cancellation or termination of the policy hereunder that Insurer shall comply with any statutory and other common law obligations resulting from such cancellation and including without limitation the provision of notice to any third party of such cancellation where required.
- e) In consideration of the said Premium amount being paid to the Insurer by the Bank, the Insurer hereby give irrevocable, unconditional guarantee as primary obligator that on the request of the Bank, the Insurer will refund directly to the Bank, the same insurance premium on failure by the debtor to meet any or all monthly payments and/or credit charges in respect to the insurance premium collectable from the debtor together with interest or charges thereof by the Bank. The refund shall be payable within Seven (7) days of such refund request failing which the Insurer will bear interest costs arising thereof.
- f) Undertakes that a certificate under the hand of an Officer of the Bank as to the amounts payable hereunder shall be conclusive evidence that such amounts are due and shall be binding upon the Insurer and confirms that no failure or delay on the part of the bank to cancel or terminate the agreement due to default by the customers shall impair the rights or privilege of the bank.
- g) To the extent of the obligations herein set out on the part of the Insurer, the Insurer hereby guarantees the Borrower of the Borrower's payment obligations and indemnifies the Bank of any loss whatsoever arising from the said premium finance. By executing this agreement the Insurer herein provides their Corporate Guarantee in favour of the Bank towards satisfaction of the debt in respect of the Insurance Premium loan above failing which the Insurer/Guarantor undertakes to refund to the Financier the Refundable Premium amount as provided in Clause 3(a) above.

And is hereby agreed that any notice or demand shall be deemed to have been properly served on any party hereto if delivered by hand or sent by registered post or facsimile at their address or at the registered offices or the physical address and in absence of evidence of earlier receipt any notice or demand shall be deemed to have been received if delivered by hand at the time of delivery or if sent by registered post three (3) days after the date of posting (notwithstanding that it be undelivered or returned undelivered) or if sent by facsimile on the completion of transmission and it is also agreed that this Agreement shall not take effect and shall not be binding on the Bank unless and until it is signed by the Bank and other parties hereto *and is also agreed* THAT if the Borrower is more than one person then an obligations on the part of the Borrower shall be joint and several *and it is further agreed* that any dispute or difference arising between the parties to this Agreement for or in connection with this Agreement or its performance construction or interpretation shall be referred to arbitration in accordance with the provisions of the Arbitration Act (Act Number 4 of 1995) or any amendments or replacements thereof by a single arbitrator appointed by agreement of the parties or, in default of agreement within fourteen days of service of a notice by one of the parties proposing the name of the arbitrator, by the Chairperson for the time being of the Chartered Institute of Arbitrators, Kenya branch. The arbitration shall be held at a venue in Nairobi and the arbitration award shall be final and binding on the parties hereto.

In witness whereof the agreement has been duly executed by or on behalf of the Borrower the Insurer and the Bank have executed this Agreement the day and year first herein above written.

Signed by the Authorized Signatories of:		Signature	Name of the Authorized Signatory	Designation of Authorized Signatory	Company Stamp
The Borrower	1				
	2				
Authorized Officers of the Bank	1				
	2				
Authorized Officers of the Insurer	1				
	2				