

Spot Program Policy
Agreement and Terms & Conditions

Agreement

This Agreement and Insurance Policy Application, if applicable, ("Agreement") is entered into by and between Knight Management Insurance Services ("Administrator") and the named applicant ("Dealer"). Whereas, Administrator, among other things, markets an automobile dealer "Contingent Liability and Physical Damage Policy" ("Spot Program") which is used by auto dealers to order insurance coverage for automobiles sold/leased to customers who do not have proof of insurance on the date of sale/lease. Under the Spot Program, the Dealer will receive a Spot Program insurance policy, in addition to Certificates to the policy in California, ("Program Coverage"), setting forth the terms and conditions of the insurance protection provided for that vehicle; and whereas, Dealer desires to use the Spot Program to order insurance for their customers who cannot provide the Dealer with proof of insurance coverage at the time of sale/lease and Dealer requests that Program Coverage be issued to his/her dealership; and now, therefore, in consideration of the mutual promises and covenants contained herein, it is agreed as follows:

1. Upon the execution of this Agreement by clicking "Submit" and submission to the Spot Program insurance company ("Insurer"), the Dealer will be issued the Program Coverage via a policy in Texas and a master policy and accompanying Certificates in California. The Program Coverage shall provide insurance protection for those vehicles sold/leased by Dealer and reported to the Insurer.
2. Dealer agrees to use the electronic platform and forms approved and provided for the Spot Program by the Administrator or Insurer. Dealer also agrees to comply with the terms of the Program Coverage or procedures as provided by Administrator or Insurer. The parties acknowledge that the Insurer reserves the right to amend the Program Coverage, rates or procedures at any time. Any amendments to the Program Coverage, rates or procedures will become effective upon written notice to Dealer.
3. Dealer agrees that Administrator and Insurer can rely on the affirmative acts and representations that Dealer makes or performs on the electronic platform regarding Spot Program coverage. Administrator and Insurer will rely on the acts performed by the Dealer or any ostensible representatives of the Dealer, unless and until Administrator or Insurer is given written notice of any persons prohibited from acting on behalf of Dealer.
4. Dealer understands that only the Insurer shall issue insurance coverage and pay covered Spot Program claims. Dealer agrees it will not make any representations altering, varying or modifying the Program Coverage and the Dealer has no authority to bind Administrator or the Insurer in any manner. Dealer further understands that no Program Coverage shall be considered bound or insured until the Dealer submits the information necessary for the Insurer to issue coverage for a specific vehicle.
5. Dealer acknowledges that he/she is not an employee or sub-agent of Administrator and is acting solely as a licensed auto dealer for all matters related to this Agreement. The parties acknowledge that Administrator is the licensed insurance agent for the Program and that under the terms of the Program

policy, the Dealer is the named insured. Additionally, by using the Program the Dealer is neither selling insurance or acting as an insurance agent.

5a. For California policies: At the time of purchasing a Certificate, Dealer acknowledges that he/she is not an employee or sub-agent of Administrator and is acting solely as a licensed auto dealer for all matter related to this Agreement.

6. Dealer agrees to order Program coverage on the date of sale. The dealership will be able to select the number of days of coverage from the website. Upon receipt of the request for coverage, the Dealer will be billed for the amount necessary to start the Program Coverage for the specified vehicle. This billed amount will include a fully earned policy fee per vehicle to cover the costs necessary for the Insurer.

7. Any Spot Program payments shall be remitted in full at the time of Program Coverage purchase (in California, when the Dealer applies for a Certificate under the Master Policy).

8. This Agreement may be terminated by either party, at any time, by sending written notice to the other party at the address set forth in this Agreement. Contact information for the Administrator is provided as follows: KMIS, 4751 Wilshire Blvd., Ste. 111, Los Angeles, California 90010; (888) 333-8198; or SPOT@knightcompany.com. In the event of termination, Dealer will have no further authority to order insurance coverage under the Spot Program. This Agreement shall also terminate, without written notice, upon the occurrence of any of the following events:

- A. In the event Dealer ceases business operation.
- B. In the event Dealer files for protection under the bankruptcy laws of the U.S.
- C. Failure of the Dealer to timely submit vehicles to be covered under the Spot Program or pay the Spot Program fees necessary to start coverage for the specified vehicle(s).

9. Any provision of this Agreement which is determined to be invalid or in conflict with a statute or law of any state or territory wherein the provisions of this Agreement may be sought to be enforced, will be deemed null and void to the extent that it may conflict therewith, without invalidating the remaining provisions of this Agreement in such state or territory.

10. The parties agree that should any dispute arise, regarding any of the terms of this Agreement or the Program Coverage, said dispute shall be submitted and resolved by binding arbitration in the state where the Agreement was entered.

11. This Agreement contains the complete understanding of the parties and supersedes all prior oral or written agreements between the parties. Any amendment to this Agreement must be in writing in order to be valid.

Terms and Conditions regarding Electronic Signature and Delivery

- 1. Electronic Signature Agreement.** By clicking "Submit" Dealer is agreeing to sign the Agreement electronically. Dealer agrees that his/her electronic signature is the legal equivalent of a manual signature on the Agreement. By clicking "Submit", Dealer consents to be legally bound by the Agreement's terms and conditions. Dealer also represents that he/she is authorized to submit the Agreement and, if approved, enter into an agreement for Spot Program coverage with the insurer for the insurance coverages selected or indicated on the Application page, if applicable.
- 2. Voluntary Consent to Electronic Delivery.** By clicking "Submit" Dealer is agreeing to the terms and conditions herein, Dealer is also agreeing and consenting to electronically receive Policy related documents including, but not limited to, the Application (if applicable), the Policy, any other policy related documents conferring or changing the scope of coverage, any notices or disclosures provided to Dealer and any other documents, statements, data, records or any other communications regarding the Spot Program policy. Dealer acknowledges that, for his/her records, he/she is able to retain a copy of any policy related documents by printing and/or downloading and saving said documents. Dealer agrees to accept electronic communications and documents as reasonable and proper notice, for the purpose of any and all laws, rules and regulations, and agrees that such electronic form fully satisfies any requirement that such communications be provided to Dealer in writing or any other alternative form.
- 3. Paper Version of Electronic Documents.** Dealer may request a paper version of any policy related electronic document. To request a paper copy of an electronic document, Dealer is to contact KMIS at the contact information provided above. Dealer will not be charged any fees for requesting and obtaining paper copies of any policy related documents.
- 4. Opt Out Provision.** Dealer has the right to withdraw its consent to receive/obtain policy related documents via electronic delivery at any time. In order to withdraw consent, Dealer must notify insurer that he/she wishes to withdraw consent and request that future documents, notices and disclosures be provided in paper format. If Dealer wishes to withdraw his/her consent, they can contact KMIS at the contact information provided above.
- 5. Valid and Current Email Address.** Dealer's current valid contact email address is required in order for him/her to obtain policy related documents. It is Dealer's responsibility to provide KMIS with an accurate and complete e-mail address and other contact information, and Dealer agrees to keep KMIS informed of any changes to Dealer's contact email address. Dealer may update his/her email address by contacting KMIS at the contact information provided above.

Other Terms & Conditions

Disclosures

The Spot Program policy provides coverage for the automobile dealer and purchaser meeting the coverage conditions of the policy. The dealer's contingent liability policy fulfills the requirements of the state financial responsibility or minimum liability insurance law for the vehicle purchaser until title is conveyed or coverage term expires, whichever comes first. This coverage is excess to valid insurance in force and in place on behalf of the additional insured.

Dealer Warrants and Agreements and Fraud Warnings

Dealer states that dealer is a licensed dealer in good standing in the state(s) where dealer engages in such auto sales business and seeks to obtain above-named insurance coverage to be applied to private passenger automobiles and light trucks being sold by dealers to retail customers and scheduled for coverage. Dealer agrees to report to insurer in the manner prescribed by insurer on same date as vehicle is sold by dealer for each vehicle. Dealer also agrees to pay full per vehicle insurance premium (including any applicable taxes and administrative fees), at time of coverage purchase for the specified vehicle(s), directly to the insurer's designated Administrator. Failure to report vehicles to be included in the insurance coverage and to pay the designated premiums, timely and appropriately, shall void any insurance coverage for those vehicles and subject insured dealer to immediate cancellation of this insurance coverage.

NOTICE TO ALASKA RESIDENT APPLICANTS: A person who knowingly and with the intent to injure, defraud, or deceive an insurance company and files a claim containing false, incomplete, or misleading information is guilty of a felony.

NOTICE TO ARKANSAS RESIDENT APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and subject to fines and confinement in prison.

NOTICE TO ARIZONA RESIDENT APPLICANTS: For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

NOTICE TO COLORADO RESIDENT APPLICANTS: 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 policyholder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DELAWARE RESIDENT APPLICANTS: Any person who knowingly, and with the intent to injure, defraud or deceive an insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO DISTRICT OF COLUMBIA RESIDENT APPLICANTS: 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, any insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA RESIDENT APPLICANTS: Any person who knowingly, and with the intent to injure, defraud or deceive any insurance company files a statement of claim containing any false, incomplete or misleading information is guilty of a felony of the third degree.

NOTICE TO HAWAII RESIDENT APPLICANTS: 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, imprisonment or both.

NOTICE TO IDAHO RESIDENT APPLICANTS: Any person who knowingly, and with the intent to defraud or deceive any false, incomplete or misleading information is guilty of a felony.

NOTICE TO INDIANA RESIDENT APPLICANTS: A person who knowingly, and with the intent to defraud an insurer, files a statement of claims containing any false, incomplete or misleading information commits a felony.

NOTICE TO KENTUCKY RESIDENT APPLICANTS: Any person who knowingly and with the intent to defraud an insurance company or other 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.

NOTICE TO LOUISIANA, MAINE AND TENNESSEE RESIDENT APPLICANTS: Any person who knowingly and with the intent to defraud any insurance company or another person, files a 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, subject to criminal prosecution and civil penalties. Insurance benefits may also be denied.

NOTICE TO MINNESOTA RESIDENT APPLICANTS: A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEBRASKA RESIDENT APPLICANTS: Any person who knowingly presents false information in an application for insurance or viatical settlement contract is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO NEVADA RESIDENT APPLICANTS: Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

NOTICE TO NEW HAMPSHIRE RESIDENT APPLICANTS: Any person who, with the purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

NOTICE TO NEW MEXICO RESIDENT APPLICANTS: Any person who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO OHIO RESIDENT APPLICANTS: Any person who, with the 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.

NOTICE TO OKLAHOMA RESIDENT APPLICANTS: WARNING: Any person who knowingly and with the 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.

NOTICE TO TEXAS RESIDENT APPLICANTS: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO VIRGINIA RESIDENT APPLICANTS: 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.

NOTICE TO WASHINGTON RESIDENT APPLICANTS: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO WEST VIRGINIA RESIDENT APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Dealer understands that the coverage selection and limit choices indicated on the Application and/or Policy or in any state supplement will apply unless Dealer otherwise notifies Administrator or Insurer in writing.