

PROFESSIONAL SOLUTIONS INSURANCE COMPANY*

(A Stock Insurance Company)

Home Office: 14001 University Ave., Clive, Iowa 50325

*Underwriting policies in the following states: AK, AL, AR, AZ, CA, CO, DC, DE, FL, GA, HI, IA, IL, IN, KS, KY, LA, MD, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY.

AND

STATE NATIONAL INSURANCE COMPANY**

(A Stock Insurance Company)

Home Office: 1900 L Don Dodson Drive, Bedford, Texas 76021

**Underwriting policies in the following states: CT, ID, MA, ME, NY.

PERSONAL DISASTER INSURANCE™



TERMS AND CONDITIONS FOR PAPERLESS COMMUNICATIONS & ELECTRONIC DOCUMENT DELIVERY AGREEMENT

In order to transact “paperless” electronic business with Professional Solutions Insurance Company (“PSIC”) or State National Insurance Company (“SNIC”), as well as receive your insurance related documents electronically, you must read and agree to the following terms and conditions set forth below.

Your Consent to Use Electronic Signatures- You have chosen to transact business with PSIC or SNIC electronically and you agree to use electronic signatures which shall have the same force and effect as your written signature. Electronic signatures may take various forms including checking a box.

Your Choice to Receive Electronic Documents- You have chosen to receive and sign the communications and documents relating to your insurance transaction, policy, or claim through an electronic format. This Terms and Conditions for Paperless Communications and Electronic Document Delivery Agreement applies to those policy documents, forms, disclosures, notices (including cancellation and nonrenewal notices), or other documents that may be given to you and in some cases signed and returned to PSIC or SNIC as part of your insurance policy transaction or claim. When you agree to the terms of this notice, you are agreeing 1) that you have the authority to electronically receive on behalf of all insureds under your policy the documents, and 2) that PSIC or SNIC may provide to you in electronic format the documents which you have selected to receive in such electronic format instead of in paper format through U.S. Mail. Such documents may include policy documents, declaration pages, notices (including cancellation and nonrenewal notices), billing documents, endorsements, changes to your policy, and any other information relating to your insurance policy that would be otherwise mailed to you.

Delivery methods of electronic Documents- All documents that you receive in electronic format will be provided to you when you access our website that we will identify for you in an email that we send to you. The documents will then be available for your viewing, and action if necessary. The paperless or electronic documents covered by this agreement and selected by your preferences are considered received by you when PSIC or SNIC sends the electronic email notification to the email address you

provide unless PSIC or SNIC receives notice that the email notification was not delivered to you at the email address you provided.

Withdrawing your consent- Although you have given us your consent to receive documents in an electronic format, you are certainly welcome to withdraw your consent at any time. You may withdraw your consent by contacting our Customer Care Center at 1-877-273-2667 and speaking with a representative. Please note that if we receive an invalid email address we will at our option treat your provision of an invalid email address as a withdrawal of your consent to receive any and all documents in an electronic format. A withdrawal of your consent to conduct business electronically will be effective no fewer than 10 days after you have processed such withdrawal of consent.

Please note that there are certain eligibility requirements for billing notices and should those eligibility requirements not be met, PSIC or SNIC will remove the paperless consent to remain compliant with the statutory requirements.

Be sure to update your records- Only you know best your most current information. Be sure to share it with us. It is your sole responsibility to provide us with true, accurate and complete contact information, such as email address, contact, and other information relating to these terms and your policy. The contact information you provide to us is meant to facilitate our communications directly with you.

Hardware and Software Requirements- So that you may access, view, sign and retain electronic documents that we make available to you, you must have the following: 1) a device that is connected to the internet, 2) access to an email account, and 3) access to an internet browser. Access to software, such as Adobe, capable of viewing, downloading or printing PDF documents, is necessary, but such software is not necessary to sign forms. You must be able to view the documents on your device, and have sufficient storage capacity on your computer(s) hard drive or other data storage. In order to retain the documents your system must have the ability to download and save files and print PDF files or print Web pages and embedded HTML files. Your consent confirms that you have the hardware and software needed, that you are able to receive and review electronic records and that you have a valid email. We will notify you if there are any changes to the hardware or software requirements that could impact your ability to access the documents.

Requesting Paper Copies- You will be able to obtain a paper copy of any document that is provided in electronic form by printing it yourself or contacting our Customer Care Center at 1-877-273-2667. You must make the request within a reasonable time after you have received the electronic Document. Requesting a paper copy in no way withdraws your consent to this agreement or changes your preferences to continue to receive your selected documents electronically.

Paper Copies Required by Law- We will not send to you a paper copy of an electronic document unless you request it. However, there are occasions in which we may deem it appropriate to send paper copies, or we are required by law to send paper copies of Documents.

Written Communication- Some documents or information are required to be delivered to you "in writing". With this agreement, you have consented that we may provide this information to you electronically by delivering it to your email address. All documents whether sent electronically, or in paper form are considered to be "in writing".



Changes or Termination of Terms and Conditions- We reserve the right to change or terminate these terms and conditions at any time. We will provide you with notice of such changes or termination.

Applicable Law- You acknowledge and agree that your consent to transact electronic business with us is subject to the federal Electronic Signatures in Global and National Commerce Act, the Uniform Electronic Transactions Act and your state(s) uniform electronic transactions law.

By checking “Yes, I agree to the Paperless Terms & Conditions”, you are agreeing to the terms and conditions set forth herein and you are confirming that you are able to receive the documents pursuant to the hardware and software requirements outlined above. If you would like more information about electronic options please contact a customer care representative.

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IMPORTANT DISCLOSURES AND STATEMENTS OF APPLICANT

ALL STATES (except Washington, Arizona, Nevada, and South Dakota)

I understand that my eligibility for a Disaster Benefit is conditional upon my maintaining [a homeowners] [or] [a property] [or] [a renters] insurance policy on my residence identified above and that if my residence ceases to be covered by such a policy, I will not be eligible to receive a Disaster Benefit.

I understand that no insurance will become effective until my application has been approved and my first premium has been received by PROFESSIONAL SOLUTIONS INSURANCE COMPANY ("PSIC") or STATE NATIONAL INSURANCE COMPANY ("SNIC") and that the effective date will be the date stated in the policy Declarations I receive.

I also understand my coverage will be subject to a waiting period of fourteen (14) days from the effective date shown in the declarations and that no Disaster Benefit will be payable based upon property damage from a disaster event that occurs during the fourteen (14) day waiting period.

I declare that the statements contained herein are true to the best of my knowledge and belief and I understand that my policy may be rescinded and declared void if this application contains any false information or misrepresentations or if any information that would affect our decision to issue this policy has been omitted or misrepresented.

WASHINGTON RESIDENTS:

I declare that statements contained herein are true to the best of my knowledge and belief and I understand that my policy may be rescinded and declared void if this application contains and intentional false information or intentional misrepresentations or if any information that would affect our decision to issue this policy has been intentionally omitted or intentionally misrepresented.

ARIZONA RESIDENTS:

I declare that the statements contained herein are true to the best of my knowledge and belief and I understand that my policy may be rescinded and declared void if this application contains any misrepresentations, omissions, concealments of facts or incorrect statements that are: 1) Fraudulent 2) Material either to the acceptance of the risk or to the hazard assumed by us; and 3) We in good faith would either not have issued the policy in as large an amount, or wouldn't have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to us as required either by the application for the policy or otherwise.

NEVADA RESIDENTS:

I declare that the statements contained herein are true to the best of my knowledge and belief and I understand that my policy may be rescinded and declared void if this application contains any materially false information or material misrepresentations or if any information that would affect our decision to issue this policy has been omitted or misrepresented.

SOUTH DAKOTA RESIDENTS:

I declare that the statements contained herein are true to the best of knowledge and belief and I understand that my policy may be rescinded and declared void if this application contains any misrepresentations, omissions, concealment of facts or incorrect statements that are: 1) Fraudulent or an intentional misrepresentation of a material fact; 2) Material either to the acceptance of the risk, or to the hazard assumed by us; or 3) We in good faith would either not have issued the policy in as large an amount or wouldn't have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to us as required either by the application for the policy or otherwise.

In completing this application and [by typing my name in the signature block below] [by clicking "I accept" below] [by stating my name and consent verbally], I acknowledge and agree (i) that I have read and understand the meaning of the above disclosures; (ii) that I am [electronically] [telephonically] signing this application, [which will have the same legal effect as the execution of this document by my written signature] and be valid evidence of my intent and agreement to be bound by its terms.

I hereby enroll for coverage under the Personal Disaster Insurance plan, as provided by PSIC or SNIC.

PLEASE READ THE FRAUD WARNING NOTICE FOR YOUR STATE.

General Fraud Warning: Any person who knowingly and with intent to defraud any 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 or knowingly helps with intent to defraud, commits a fraudulent insurance act, which may be a crime and may subject the person to criminal and civil penalties.

Alabama Fraud Warning: 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.

Arkansas Fraud Warning: 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.

Colorado Fraud Warning: 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 policyholder 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.

District of Columbia Fraud 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.

Kansas Fraud Warning: 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, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part, or in support of, an application for the issuance of, or the rating of an insurance policy for commercial or personal 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 has committed a fraudulent insurance act.

Kentucky Fraud Warning: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

Louisiana Fraud Warning: 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.

Maine Fraud Warning: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

Maryland Fraud Warning: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

New Jersey Fraud Warning: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New Mexico Fraud Warning: 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 civil fines and criminal penalties.

Ohio Fraud Warning: 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.

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

Oregon Fraud Warning: Any person who, with an intent to knowingly defraud or knowingly facilitate a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement or a material fact, may be guilty of insurance fraud.

Pennsylvania Fraud Warning: Any person who knowingly and with intent to defraud any 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 and subjects such person to criminal and civil penalties.

Puerto Rico Fraud Warning: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. If aggravating circumstances are present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

Rhode Island Fraud Warning: 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.

Tennessee Fraud Warning: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

Vermont Fraud Warning: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

Virginia Fraud Warning: 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.

Washington Fraud Warning: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

West Virginia Fraud Warning: 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.