

Charter Lakes
MARINE INSURANCE AGENCY
Anchored in Service
3455 East Paris Ave SE
Grand Rapids, MI 49512-2960
1-800-879-2248 fax 1-616-975-0670

Dear Agent:

Thank you for contacting Charter Lakes Marine Insurance! We are pleased to provide you with our Broker Information Packet, which includes an agency information questionnaire, product profile, a brokerage agreement, W-9 form, our underwriting and procedure guidelines, and a supply of our applications.

Please read the agreement, then sign it and return with the completed producer questionnaire. The W-9 form should be completed with the tax ID information for your agency. This will make certain that Charter Lakes files taxes appropriately at the end of the year for earned commissions. We will also need a certificate or copy of your current E&O insurance included with the agreement. You can fax these documents to 616-975-0670 or e-mail them to info@charterlakes.com.

Charter Lakes operates as a Managing General Agency for companies like Ace, St. Paul Travelers, Markel and Travelers Marine. We operate as program administrators within the wet marine line of business. We provide you with access to special marine insurance programs for the following risks;

- ◆ Six Passenger Charter Boats
 - ◆ Fishing Guides
 - ◆ Coast Guard Inspected Passenger Vessels
 - ◆ Ferry Boats & Water Taxis
 - ◆ Private Pleasure Craft of all Sizes & Values
 - ◆ Miscellaneous Commercial Use Vessels
 - ◆ Mega Yachts
 - ◆ Center Console Offshore Fishing Vessels
 - ◆ High Performance
 - ◆ Personal Watercraft
 - ◆ Recreational Boat and Yacht Insurance
 - ◆ Excess Liabilities
- ** All programs are underwritten by "A" rated domestic underwriters **

For the most part, Marine Insurance is not filed or regulated by the states. From one insurer to another, there can be a substantial discrepancy in policy terms and rates on the same risk. The marine insurance specialists at Charter Lakes understand the marine markets and work hard to provide your clients with the best overall value for their marine insurance needs.

Peace of mind comes with placing your clients insurance with a specialist. When your client has a marine risk, Charter Lakes is the specialty market to rely on to find the best value for your client.

Thanks again for your interest in working with us. We look forward to a long and mutually profitable relationship. If you have any questions do not hesitate to contact us.

Sincerely,

Daniel B. Longman

Daniel B. Longman
Charter Lakes Marine Insurance

CHARTER LAKES PRODUCER INFORMATION

Legal Agency Name (as shown on tax return): _____

DBA Name: _____

Mailing Address: _____

City, State, Zip: _____

Telephone: _____ Fax: _____

Email Address: _____

Company Website: _____

Marine Insurance Contact: Name: _____

Email: _____ Phone: _____

Accounting Contact: Name: _____

Email: _____ Phone: _____

Agency Principals: _____ Title: _____

_____ Title: _____

_____ Title: _____

Federal I.D. No: _____ E& O Carrier: _____ Limits: _____

Primary P & C Companies: _____ Volume _____

_____ Volume _____

_____ Volume _____

Yacht Ins. Carriers: _____ Volume _____

_____ Volume _____

_____ Volume _____

Does your Agency have any special needs or opportunities with regard to marine insurance?

Comments: _____

*****RETURN TO CHARTER LAKES INSURANCE AGENCY**

I. **NEW BUSINESS**

A. REQUESTING QUOTES

1. Fill out quote sheet or application as completely as possible.
2. Fax information to us at **616-975-0670** or Phone information to us at **800-879-2248**

B. BINDING COVERAGE

1. Phone to request binding of coverage. After verbal approval, a written request to bind must be faxed. Only Charter Lakes producers have authority to bind. Once bound, we will fax you a binder.
2. Be aware that Phone Mail messages requesting to bind are not recognized as they may be sent after hours and not approved by Charter Lakes producers and company underwriters.
3. ALL BINDERS WILL BE ISSUED FROM OUR OFFICE - YOU ARE NOT AUTHORIZED TO BIND COVERAGE.
4. All requested information must be received no later than 30 days after binding to issue the policy.

C. POLICY ISSUANCE

To issue a policy we must have the following:

1. A Charter Lakes Application fully completed and signed by the INSURED.
2. 2-color pictures of the vessel (minimum).
3. Current Captain's License, if chartering.
4. Coast Guard Certificate of Inspection, if Inspected Vessel.
5. Condition and Value Survey if required by the company.
(See underwriting guidelines)
6. Premium Payment

D. PAYMENT OPTIONS

1. Agency Bill
 - a. Invoices are mailed, as business is booked. Payment on renewal business is due by effective date. Payment on endorsement business is due within 30 days. Payment on new business is due up to 30 days from effective date as indicated on invoice to your agency. We must remit according to carrier terms and requirements.
 - b. Brokers should collect the full premium and send us the net premium (gross minus their commission). If your agency is financing premium, remit any balance not being paid by the finance company to CLIA by the appropriate due date.
 - c. Brokers must pay on binders that are issued for new business.
 - d. Payment is required prior to issuance of new policies.
 - e. Your clients may utilize our finance company if necessary. Contact us in advance for details.
 - f. Agency Bill Companies are Ace Yacht, Ace Boat, St. Paul, Commercial Union, Essex, Great American, RLI Marine, Osprey, Atlas, Hull & Company and American Modern Home. Additional carriers may be appointed.

2. Direct Bill

- a. Some Direct Bill business is invoiced directly to the client and other Direct Bill business may require a down payment along with the application.
- b. If down payment invoice is received, have the client make check payable directly to the company quoted. **Payment is required prior to issuance.**
- c. Direct Bill Companies are Markel, Travelers, Progressive, Ski Safe, Windward Marine, Foremost, McGriff Siebels, National Marine, Summit and American Modern Home. Additional carriers may be appointed.

II. RENEWALS

- A. Renewal DEC's or Quotes are mailed to brokers 30-60 days prior to renewal.
- B. Broker requests policy renewal IN WRITING indicating any changes needed in policy.
- C. Information requested on the renewal quote (Captains License, Survey, etc.), is due in our office by the renewal date unless prior arrangements have been made.
- D. Payment Options
 1. Full NET Payment is due for Agency Bill policies by the effective date of renewal.
 2. For Direct Bill, DO NOT COLLECT MONEY, as insureds will receive invoices directly from carrier.

III. ENDORSEMENTS

- A. Request changes in writing with an effective date. Endorsements must be approved by underwriting.
- B. A request for a change of boat must be accompanied by a new application signed by the insured.

IV. CANCELLATIONS

- A. Send us one of the following:
 1. Full Original Policy - Insured's copy.
 2. Insured's written request for cancellation.
 3. Lost Policy Release - **Signed by the Insured**
 - Show Charter Lakes as Agent.
- B. Non-Payment of Premium
 1. Request Charter Lakes to send the insured a 10 day notice showing amount due.
 2. Direct Notices of Cancellation will be sent 10 days after failure to renew with money by Charter Lakes or the carrier.
- C. Flat Cancellation

Some carriers require notification by effective date. Please contact Charter Lakes by effective date for the cancellation process depending on the policy and carrier requirements.

** Policy cancellations may be short rated or pro-rated depending on the carrier if cancelled mid-term.

Each one of our programs is unique and has different underwriting criteria. However, the following holds true for most programs.

1. Only standard stock models, built by recognized boat manufacturers.
2. Custom built boats can be considered, but must have a new Condition and Value Survey, regardless of the age of the vessel.
3. The vessel must be suitable for the waters where it will be navigated.
4. Manufacturers' rated maximum speed allowed is 50 MPH, however we do have a programs for high performance & bass boat types.
5. MVR information may be required on certain risks.
6. Condition and Value Surveys are required on salt water vessels 7 years old and older and fresh water vessels 10 years old and older, (requirements may vary).
7. The survey must be less than 12 months old and performed ashore by a Certified Marine Surveyor, preferably NAMS or SAMS. Others will be evaluated.
8. All survey recommendations must be complied with a written statement of compliance sent to Charter Lakes. An appropriate time for completion may be allowed. The time frame will be on a case by case basis.
9. Owner/Operator information is important to underwrite the vessel properly. The following information is essential:
 - A. Years experience, with a vessel of similar size (no more than 10'- 12' increase in length).
 - B. Boating safety course completion i.e.; Power Squadron, Coastguard Auxiliary, Captains License.
 - C. Occupation, which should indicate stability and the financial means to own and maintain the vessel.
 - D. Loss history, type of loss and amount paid.

In order to offer a marine quotation we must have all requested information and a COMPLETE application.


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BROKER AGREEMENT

THIS BROKER AGREEMENT (“the Agreement”) is made as of _____ by and between CLIA, Inc dba Charter Lakes Marine Insurance Agency (hereinafter referred to as “CLIA”) and _____ (hereinafter referred to as the “Broker”).

Your agency/brokerage name

RECITALS

WHEREAS, CLIA is engaged in the business of selling, procuring, and placing property, casualty and other insurance on a wholesale and retail basis; and

WHEREAS, CLIA is an agent for certain insurance companies from whom and on whose behalf it procures, sells and places property and casualty insurance; and

WHEREAS; Broker has requested that from time to time CLIA place with the carriers it represents property and casualty insurance for Broker’s customers, and CLIA has agreed to do so subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, and for other good, valuable and legal consideration, the receipt and sufficiency of which are hereby acknowledged, the policies hereto agree as follows:

1. Policy Premiums and Miscellaneous Charges. Broker shall be responsible to CLIA for the payment of premiums due on any and all binders and policies issued at the request of Broker. The term “Premiums Due” as used herein shall include: The binder, policy premium or endorsement premium; applicable state taxes; all tax filing fees; policy and inspection fees; processing fees; earned premiums and/or commissions on binders, policies or endorsements that have been canceled.
2. Payment of Policy Premiums. Broker agrees to remit to CLIA within (15) days of receipt of CLIA’s invoice or statement of account, all premiums, earned premiums, audits, taxes and fees billed by CLIA and shall be liable to CLIA for such payment. Broker shall remit all premiums to CLIA on a net of commission basis. Notwithstanding anything to the contrary in this section, all deposit premiums or special billed items, as may be from time to time required by CLIA’s insurer’s, shall be paid by Broker at the Broker’s sole risk and premiums and/or commissions on binders or policies that have been cancelled.
3. Binding. No risk shall be bound by Broker without the express written authorization from CLIA and further subject to the acceptance and consent of CLIA’s insurers. Nothing in this Agreement shall entitle Broker to bind CLIA of any of CLIA’s insurers.
4. Ownership of Business. CLIA expressly recognizes and acknowledges Broker’s ownership of all business placed under this Agreement by Broker. Notwithstanding such ownership, the parties hereto agree that in the event there are any Premiums Due to CLIA at the termination for any reason of this Agreement. CLIA shall have the exclusive use and control of all expirations and renewals of such business unless and until the Premiums Due have been paid in full to CLIA.
5. Cancellations of Binders or Policies. Broker shall promptly notify CLIA if it receives notice of any kind that a policy is to be canceled. No cancellation of a policy or binder will be backdated. Broker shall be responsible for any premium earned on a binder or policy even where the premium has not been refunded to the premium finance company, the Broker shall

- promptly refund any premiums and unearned commissions due CLIA.
6. Claims. Broker shall promptly report to CLIA all claims and/or losses, and such notices shall be provided as expeditiously as possible. Broker has no authority to assign losses to be adjusted nor may Broker negotiate settlement of any loss on behalf of CLIA or CLIA's insurers, without the prior express written consent of CLIA. Broker agrees to cooperate fully at the request of CLIA; it's insurers, adjusting firms, surveyors, attorneys, or other agent in the investigation, adjustment, settlement, or payment of any loss or claim.
 7. Renewals. While CLIA agrees to endeavor to give Broker reasonable advance notice of expiring binders and policies, it shall be under no legal or other obligation to do so and CLIA's failure for any reason to provide notice of expiring binders and policies shall not relieve Broker of its obligation to furnish renewal binders or policies
 8. Unearned Commissions. The Broker agrees to refund to CLIA any unearned Commissions Due to CLIA for canceled binders, policies, and endorsements or reduced premiums, within thirty days after Broker is advised of the cancellation or reduction in premium.
 9. Financed Policies. If Broker extends credit to an insured it shall be at Broker's sole risk, and all Premiums Due shall be paid to CLIA when due, regardless of whether such Premiums Due have been collected by Broker. CLIA's name and address should be listed as a General Agent on all premium finance agreements. For all St. Paul policies, CLIA's address should be used with carriers name on premium finance agreements. CLIA will refund any unearned premium directly to Broker. Broker is responsible to remit necessary funds to premium finance company. CLIA shall not refund any premium to a premium finance company. In the event a financed premium is cancelled and the premium is refunded to a premium finance company, Broker shall promptly refund to CLIA any unearned Premiums Due.
 10. Audited Premiums. Whenever a premium for an issued policy cannot be fully determined in advance and where a subsequent adjustment is necessary by audit or otherwise, the amount of any additional Premiums Due shall be paid to CLIA within thirty (30) days after such additional amount is billed to Broker. If, within twenty (20) days after any additional Premiums Due are billed to Broker and Broker is unable to collect the additional premium due from the insured, CLIA will allow Broker to return uncollected audited Premiums Due under the same terms and conditions provided in CLIA's agency agreement with its insurers.
 11. Agency. In placing business under this Agreement, Broker acknowledges that Broker is a representative of the insured and not an agent or representative of CLIA or CLIA's insurers. Broker further acknowledges and agrees that all contact and/or communication with the carrier shall be through CLIA. CLIA has access to certain insurance companies or markets, which the Broker does not have direct access to and CLIA agrees to use such markets at its discretion.
 12. Broker Commission. CLIA shall pay Broker commission as agreed to by the parties to this Agreement on a case-by-case basis.
 13. Hold Harmless. (a) Notwithstanding any other provision of this Agreement and as special consideration for the execution of this Agreement by CLIA, Broker agrees that it shall save, defend, indemnify and hold harmless CLIA from any and all claims, demands, liabilities, actions, proceedings, judgments, fines or other expenses including without limitation, reasonable attorneys' fees, incurred by CLIA rising from or related to any claim of alleged errors and omissions caused by or related to the acts of Broker, its agents, servants, principals and employees. (b) CLIA agrees that it shall save, defend, indemnify and hold harmless Broker from any and all claims, demands, liabilities, actions, proceedings, judgments, fines or other expenses including without limitations, reasonable attorneys' fees, incurred by Broker arising from or related to any claim of alleged errors and omissions caused by or related to the acts of CLIA its agents, servants, principals and employees.
 14. Willful Violations. In the event Broker willfully violates this Agreement, Broker shall be liable for all costs and damages incurred by CLIA, including court costs and attorney's fees.
 15. Cancellation of this Agreement. This Agreement may be cancelled at any time by either party giving thirty (30) days notice. In the event of cancellation, Broker will continue to be paid commissions on all binders and policies until they expire or are placed elsewhere.
 16. Notices. Any notices which may be given under this Agreement shall be in writing, and shall

be given: (a) by hand delivery; (b) by commercial overnight courier; or (c) registered or certified mail with return receipt requested. Such notices shall be addressed as follows:

If to CLIA:

Charter Lakes Marine Insurance Agency
3455 East Paris Ave, SE
Grand Rapids, MI 49512

If to Broker:

Broker/Agency Name: _____
Attention: _____
Broker's Street: _____
City, State, Zip Code: _____
Tax ID#: _____
Insurance License #: _____

17. Governing Law and Legal Venue: The laws of the State of Michigan shall govern the validity and construction of this Agreement. Legal venue shall be Kent County, MI.
18. Restrictive Covenants. With regard to any customer of Broker to whom any policy of insurance is provided pursuant to this Agreement, Broker shall not, for a period of two (2) years from the date of termination of this Agreement and regardless of the cause of termination, place with any insurance carrier used by CLIA in the performance of its duties and obligations under this Agreement (including such insurance carrier's affiliates, subsidiaries and related companies) any policy of insurance or coverage which provides the same or similar coverage, insurance and/or benefits as provided by CLIA pursuant to this Agreement.
19. Liquidated Damages. In the event of a breach by Broker of the restrictions set forth in Paragraph 18 herein, Broker shall, as liquidated damages for such breach, be liable to CLIA for an amount equal to fifty (50) percent of the gross commissions earned by Broker over a period of three (3) years from all insurance placed in violation of Paragraph 18. Notwithstanding this provision, in the event of a breach of this Agreement by Broker, CLIA reserves its right to such other legal and equitable remedies including, without limitation, injunctive relief, as may be appropriate.
20. Error and Omissions Insurance. The Broker shall purchase and maintain Errors and Omissions Insurance with limits no less than \$500,000 per occurrence. Evidence of such coverage shall be provided CLIA during the currency of this Agreement.
21. Proprietary Information. The Broker agrees that the forms and endorsements developed exclusively as part of the proprietary Charter Lakes Marine Insurance Agency program are for the exclusive use within the Charter Lakes Marine Insurance Agency program and cannot be duplicated in any manner.
22. Communications. Broker agrees to receive advertising material and announcements from CLIA on a periodic basis. This advertising material and announcements may be sent via U.S. mail, via facsimile or by email. CLIA agrees to discontinue sending periodic advertising material upon written request from the Broker to do so.
23. Severability Clause. If any provision of this Agreement is alleged to be invalid or unenforceable, the provision shall be construed to have the broadest interpretation that would make it valid and enforceable. Invalidity or unenforceability of one provision shall not affect any other provision of this Agreement.
24. Entire Agreement. This instrument represents the entire agreement between the parties and no other representatives; understandings or agreements have been made or relied upon in the making of this Agreement, other than those specifically set forth herein.
25. Insurer/Agency Termination. In the event that any insurance carrier pursuant to this agreement terminates its relationship with CLIA and who is currently providing a policy of

insurance to any customer or Broker, the Broker is hereby relieved of the restrictions under paragraphs 18 and 19. All other terms and conditions of this agreement shall remain in full force and effect.

No alterations, modifications, amendments or additions to this Agreement shall be valid unless in writing and executed with the same formalities as this Agreement.

The failure of either party at any time to enforce any of the provisions of this Agreement shall not be construed to be a waiver of such provisions, nor to affect the validity of this Agreement or any part thereof, nor the rights of any party thereafter enforce each and every such provision.

CLIA, Inc dba Charter Lakes Marine Insurance Agency

By: _____
Daniel B. Longman, President

Broker: _____
Your Agency Name

By: _____
Name:
Title:

Charter Lakes

MARINE INSURANCE AGENCY

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Web Access for Agents and Brokers

www.charterlakes.com

We ask the **agency's principal or other authorized employee** to fill out this form in order to control access to the website on a per user basis. The agency's principal or authorized employee is responsible for notifying Charter Lakes Marine Insurance when the user's web access should be activated or deactivated by using this form. Please allow one business day for processing. The document center is a feature which allows your policy information to be available via the website to employees that you authorize.

Agency Information

Agency Name	
Contact Name	
Address	
City	
State	
Zip code	
Phone Number	
Fax Number	

Access

Email Address	Name	Create Web Account Login	Delete Web Account Login	Allow Document Center Access	Block Document Center Access
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Using the Charter Lakes website is contingent upon your agreement to release Charter Lakes Marine Insurance and its officers, employees, agents, partners, and successors and assigns (the "released parties") from any and all claims and liabilities resulting from the use of the website, including without limitation, any claims for liabilities or damage.

Please fax this completed form to the Charter Lakes Support Dept at 616-975-0670

For internal use only

Broker Contract Verified By _____ Information Verified By _____ Processed By _____
 Broker ID _____ Approved By _____ Processed Date _____

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	Charter Lakes Marine Insurance Agency 3455 East Paris Ave SE Grand Rapids, MI 49512
	List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
or
Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name” line.

Limited liability company (LLC). Check the “Limited liability company” box only and enter the appropriate code for the tax classification (“D” for disregarded entity, “C” for corporation, “P” for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner’s name on the “Name” line. Enter the LLC’s name on the “Business name” line.

For an LLC classified as a partnership or a corporation, enter the LLC’s name on the “Name” line and any business, trade, or DBA name on the “Business name” line.

Other entities. Enter your business name as shown on required federal tax documents on the “Name” line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the “Business name” line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the “Exempt payee” box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.