

TO: Our Agents

RE: **Update on DMEPOS Medicare Bond!**

The \$50,000 Federal Medicare bond requirement for Suppliers of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) continues to generate tremendous interest; and we're pleased to provide a streamlined application process!

### **Application Checklist**

- Step 1 — All applicants complete all blanks on Page 1 of the Form 10-E-DMEPOS Application, including the applicant's NSC/PTAN and NPI numbers.
- Step 2 — Provide business and personal indemnity in Section 3 of page 2.
- Step 3 — Attach business and personal financial statements if needed as follows:
  - Does applicant have a license issued by a state board to operate as: pharmacy (to dispense prescription drugs), optician, hospital/clinic/skilled care facility?
    - If yes, does applicant need bonding for more than three (3) locations or NPI numbers?
      - If more than three (3) locations or NPI numbers - please provide business and personal financial statements and skip Step 4.
      - If three (3) or less locations or NPI numbers - skip Steps 3 and 4. There is no need to provide financial statements.
    - All other applicants - please provide business and personal financial statements and complete Step 4.
- Step 4 — Complete all blanks in Section 2 on page 2. \*\*

\*\* Applicants for three locations or less licensed to operate as: pharmacy (to dispense prescription drugs), optician; hospitals/clinics/skilled care facilities, **may skip Steps 3 and 4**.

### **Medicare: DMEPOS Bond Rate**

Suppliers/Providers of Durable Medical Equipment, Prosthetics, Orthotics and Supplies for each location with a NPI (National Provider Identification) number requiring a bond \$5 per \$1,000

**The Bond Exchange**  
1-800-438-1162  
[www.thebondexchange.net](http://www.thebondexchange.net)

## Guidelines for Signing an Easy Application for Bonds

We have examples showing five ways to sign an application.

### 1. Individual or Sole Proprietorship.

Signed this 20th day of July, 2010

Signature & Business/Corporate Title \_\_\_\_\_ "Indemnitor"

John Doe "Indemnitor"

Jane Doe "Indemnitor"

\_\_\_\_\_ "Indemnitor"

\_\_\_\_\_

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

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

### 2. Partnership.

Signed this 20th day of July, 2010

Signature & Business/Corporate Title \_\_\_\_\_ "Indemnitor"

John Doe "Indemnitor"

James Doe "Indemnitor"

Jane Doe "Indemnitor"

Ann Doe, Indemnitor

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

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

### 3. Corporation.

Signed this 20th day of July, 2010

John Doe, President

Signature & Business/Corporate Title \_\_\_\_\_ "Indemnitor"

John Doe "Indemnitor"

James Doe "Indemnitor"

Jane Doe "Indemnitor"

\* Ann Doe, Indemnitor

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

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

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

### 4. Limited Liability Company or Partnership.

Signed this 20th day of July, 2010

John Doe, Manager

Signature & Business/Corporate Title \_\_\_\_\_ "Indemnitor"

John Doe "Indemnitor"

James Doe "Indemnitor"

Jane Doe "Indemnitor"

\* Ann Doe, Indemnitor

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

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

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

### 5. Outside Indemnity (Relatives, Friends).

Signed this 20th day of July, 2010

Signature & Business/Corporate Title \_\_\_\_\_ "Indemnitor"

John Doe "Indemnitor"

Jane Doe "Indemnitor"

John Henry "Indemnitor"

Joseph Smith, Indemnitor

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

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

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

# The Bond Exchange

A Division of SUR Insurance Agency, Inc.



- Individual
- Partnership
- Corporation
- Limited Liability Company
- Limited Liability Partnership

## Form 10-E-DMEPOS

### EASY APPLICATION FOR MEDICARE PROGRAM: SURETY BOND FOR SUPPLIERS OF DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS AND SUPPLIES

**ALL APPLICANTS — COMPLETE PAGE 1 AND APPLICABLE SECTIONS ON PAGE 2**

(See Back for Instructions)

PLEASE PRINT OR TYPE.

**Applicant(s)** - Individual, partners, or corporate owner(s). List the principal owner first. Attach additional Form 10-E's and cross reference if more than three owners. **EACH MUST SIGN ON BACK.**

1. Name \_\_\_\_\_  
 Residence Address \_\_\_\_\_  
 Telephone # \_\_\_\_\_  Single  
 Social Security No. \_\_\_\_\_  Married (spouse must sign on back.)  
 Percent of Business Ownership \_\_\_\_\_

2. Name \_\_\_\_\_  
 Residence Address \_\_\_\_\_  
 Telephone # \_\_\_\_\_  Single  
 Social Security No. \_\_\_\_\_  Married (spouse must sign on back.)  
 Percent of Business Ownership \_\_\_\_\_

3. Name \_\_\_\_\_  
 Residence Address \_\_\_\_\_  
 Telephone # \_\_\_\_\_  Single  
 Social Security No. \_\_\_\_\_  Married (spouse must sign on back.)  
 Percent of Business Ownership \_\_\_\_\_

**Business or Corporate Name:**

\_\_\_\_\_

Business Address \_\_\_\_\_

Telephone # \_\_\_\_\_

**TIN** \_\_\_\_\_

**NSC/PTAN** \_\_\_\_\_

**NPI No.** \_\_\_\_\_

Number of Years in this Business:	Number of Years Licensed:
Type of Bond Requested:	
Amount of Bond: \$	Effective date:

Has the business, or any owner/applicant:

a. Ever been convicted of a crime?  Yes  No

b. Ever had their license suspended, revoked or denied?  Yes  No

c. Ever been party to a surety bond claim?  Yes  No

(If any answers are yes, provide details.)

**Agent's recommendation/additional comments:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Please answer the following for EACH location under common ownership needing a bond (attach Form 10-E Supplemental for 2nd or more locations). Complete a new Application for every location under different ownership.**

Location Name and Address \_\_\_\_\_

Does applicant have a License issued by a State Board to dispense/operate as:  prescription drugs;  optician;  
 Hospital/Clinic/Skilled Care Facility License Number \_\_\_\_\_ Issuing State \_\_\_\_\_  
 Type \_\_\_\_\_ Date \_\_\_\_\_

Total Annual Sales \_\_\_\_\_

Percent of sales from Durable Medical Equipment, Prosthetics, Orthotics and Supplies \_\_\_\_\_

**AGENCY DATA**

Agency Name The Bond Exchange Agency Code 32-00289

*Any person who knowingly and with intent to defraud any insurance company or person files an application 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 under applicable law. The applicants and indemnitors certify the truth of all statements in the application and authorize the Company to verify this information and to obtain additional information from any source including obtaining a credit report.*

**The Bond Exchange • 8601 McAlpine Park Drive, Suite 100-C • Charlotte, NC 28211**  
**1-800-438-1162 • Fax 704-364-3214 • www.thebondexchange.net**

Instructions

- ✓ Applicants needing 3 or less bond(s) and are licensed by a State Board to dispense/operate as prescription drugs, optician, hospital/clinic/skilled care facility - Skip Sections 1 and 2 but Complete Section 3; If more than 3 bonds - Complete Section 1 (skip 2) and complete 3.
- ✓ All other Applicants - Complete Section 1, Section 2, and Section 3.

Section 1 — FINANCIAL STATEMENT as of \_\_\_\_\_

Attach Business and Personal Financial Statements prepared by an Accountant or comparable Financial Statements.

☐ Check if prepared Financial Statements are attached separately, OR complete the Financial Statement on Supplemental Form 10-E DMEPOS.

Section 2 — Applicants not licensed to dispense/operate as: pharmacy (to dispense prescription drugs), optician, hospital/clinic/skilled care facility, please complete the following:

Type of business \_\_\_\_\_

What kind of equipment and supplies \_\_\_\_\_

Customized or Off-the-shelf \_\_\_\_\_

Who are primary customers \_\_\_\_\_

Percent of business transacted through: storefront \_\_\_\_\_, home visits \_\_\_\_\_, mail order \_\_\_\_\_, internet \_\_\_\_\_, other (describe) \_\_\_\_\_

Number of Employees \_\_\_\_\_ Number of Employees handling Medicare \_\_\_\_\_

Explain Medicare billing process and knowledge \_\_\_\_\_

Section 3 — INDEMNITY — All Applicants regardless of how licensed must have a completed and signed indemnity form on file with CNA Surety.

ALL Applicants, Owners, and Indemnitors must sign below.

The undersigned applicant and indemnitors hereby request Western Surety Company, Universal Surety of America, Surety Bonding Company of America and any affiliated company, their successors or assigns (with such company/companies referred to herein as the "Company") to become their surety. The undersigned hereby certify the truth of all statements in the application, authorize the Company to verify this information at the time of application and as needed, on an ongoing basis and to obtain additional information from any source, including obtaining credit reports at the time of application, in any review or renewal, at the time of any potential or actual claim, or for any other legitimate purposes as determined by the Company in its reasonable discretion, and jointly and severally agree:

- (1) To pay premiums, including renewal premiums and any other charges, to the Company or its agents, when due,
- (2) To completely INDEMNIFY the Company from and against any liability, loss, cost, attorneys' fees and expenses whatsoever which the Company shall at any time sustain as surety or by reason of having been surety on this bond or any other bond issued for any applicant and or indemnitor, or for the enforcement of this agreement, or in obtaining a release or evidence of termination under such bonds, regardless of whether such liability, loss, costs, damages, attorneys' fees and expenses are caused, or alleged to be caused, by the negligence of the Company,
- (3) To furnish the Company with satisfactory and conclusive termination evidence that there is no further liability on this bond or any other bond issued for applicant,
- (4) Upon demand by the Company for any reason whatsoever, to deposit current funds with the Company in an amount sufficient to satisfy any claim against the Company by reason of such suretyship,
- (5) That the Company shall have the right to handle or settle any claim or suit in good faith and the Company's decision shall be binding and conclusive on the undersigned. An itemized statement of loss and expense incurred by the Company, shall be prima facie evidence of the fact and extent of the liability of the undersigned to the Company,
- (6) That the Company may decline to become surety on any bond and may cancel or amend any bond without cause and without any liability which might arise therefrom,
- (7) That the Company shall, without notice, have the right to alter the penalty, terms and conditions of any bond issued for undersigned, and this agreement shall apply to any such altered bond. The liability for the undersigned shall not be affected by the failure of the undersigned to sign any bond, nor any claim that other indemnity or security was obtained, nor by the release of any indemnity, nor the return or exchange of any collateral obtained and if any party signing this agreement is not bound for any reason, this agreement will still be binding on each and every other party
- (8) That if a contract or performance bond is issued hereunder, the undersigned hereby assign to the Company any monies now due or hereafter becoming due under the contract, including all deferred payments and retained percentage, supplies, tools, plants, equipment and materials due or used on the contract,
- (9) At the Company's discretion, this indemnity agreement shall be governed in all respects by the laws of the State of South Dakota and the undersigned applicant and indemnitors consent to the jurisdiction of the courts of the State of South Dakota and the United States District Court for the District of South Dakota in all actions or proceedings arising from or relating to this indemnity agreement,
- (10) That this indemnity may be terminated by the undersigned, or any one or more parties so designated, upon written notice sent registered mail to the office of the Company at Sioux Falls, South Dakota 57104, of not less than twenty (20) days. In no event, shall any termination notice operate to modify, bar, discharge, limit, affect or impair the liability of any party hereto, for any bonds, undertakings and obligations executed prior to the date of the Company's receipt and notice of such termination
- (11) In the event of any payment by the Company, to pay the Company interest on such amounts at the highest legal rate from the date such payments are made.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Signature & Business/Corporate Title

\_\_\_\_\_  
"Indemnitor"

\_\_\_\_\_  
"Indemnitor"

\_\_\_\_\_  
"Indemnitor"

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