

CONTRACT BOND SUBMISSION

Our obligation as Surety is to analyze the financial strength, credit, character and experience of a contractor (Principal). The bond we issue to the owner of the project (Obligee) represents our faith that the Principal is qualified to complete the project as specified, on time, and pay all of the bills relating the project. The information requested below is necessary for this process. The completeness of a submission is a direct reflection on how we view your account. We may ask for further information, but only when necessary. Although we prefer the enclosed forms, we are happy to accept other forms if they contain the same information.

Surety rates are determined according to the type of work you do, your experience, credit history, financial strength, and the state the job is in. Once your account is underwritten, we will quote they premium rate.

REQUIRED INFORMATION

1. **Contractor Surety Questionnaire.** (Form enclosed). Complete, sign and date.
2. **Company Financial Statements:** Past three-year fiscal year end, current six-month interim if applicable. Suggested quality standards and explanations are included on our enclosed Financial Statement Requirement sheet.
3. **Personal Financial Statements** (Form enclosed). Please supply a personal financial statement for each owner or indemnitor. The statement should be concurrent with the company's most current fiscal year end.
4. **Resumes on Owners and Key Personnel** (Form enclosed). Regardless of financial information, an organization is only good as its people. The more we know about key people, the better we can understand your company. Please supply a Resume on each owner and/or your key personnel.
5. **Bond Request** (Form enclosed) If you have a specific bond need, please complete this form. Notice that additional information is required for a final bond, as outlined in the "Final Bond Section:
6. **Bank Reference Letter:** (Form enclosed) Please take this format to you banker, and ask that the information requested be typed on bank letterhead and sent to our office.
7. **Work in Progress Report** (Form enclosed) Please complete both the uncompleted and completed job section. Information should be current within 30 days.

APPLICATION FOR CONTRACTOR BOND

(1) Name of Firm _____ Federal I.D. Number _____
Contact: _____
Business Address: _____
Physical Address _____
Phone: (_____) _____ Fax: (_____) _____

(2) Firm History

What kind of work do you do? _____
Area of Operation _____
Year Business Started: _____ If Incorporated, State and/ Year: _____
Type of Business (Check One): Sole Proprietorship _____ Corporation _____
Partnership/ LLC _____ S-Corporation _____
Fiscal Year End: _____

Ownership/Management (Provide the information below on all Owners, Partners or Corporate Officers of your firm.)

a. Name: _____

Title: _____ Percent Owned: _____ Date of Birth: _____

Social Security Number: _____ Name of Spouse _____

b. Name: _____

Title: _____ Percent Owned: _____ Date of Birth: _____

Social Security Number: _____ Name of Spouse _____

c. Name: _____

Title: _____ Percent Owned: _____ Date of Birth: _____

Social Security Number: _____ Name of Spouse _____

d. Name: _____

Title: _____ Percent Owned: _____ Date of Birth: _____

Social Security Number: _____ Name of Spouse _____

Type of Business: _____

Is the firm union?

YES : _____ NO: _____(check one)

Has the firm, any owner, or officer been adjudged bankruptcy in the last seven years?

YES: _____ NO: _____(check one) If YES, attached specifics.

Is the firm or any of its owners or officers currently involved in any litigation?

YES: _____ NO: _____(check one) If YES, attached specifics.

Has any owner or officer been convicted of a felony?

YES: _____ NO: _____(check one) If YES, attached specifics.

Is there a buy/sell agreement among the owners of the business?

YES: : _____ NO: _____(check one) If YES, attach copy.

Is the buy/sell agreement funded by life insurance?

YES: _____ NO: _____(check one)

Previous Bonding Companies:

a. Name: _____ Phone Number: _____

Reason for Leaving: _____

b. Name: _____ Phone Number: _____

Reason for Leaving: _____

Have you ever had a bond request denied? (check one) YES: _____ NO: _____

If YES, please attach specifics.

3. Financial Data:

Do you have a full-time accountant on staff? (check one) YES: _____ NO: _____

How often are financial statements prepared? (check one)

Annually: _____ Semi-Annually: _____ Quarterly: _____ Monthly: _____

On what basis are financial statements prepared? (check one)

Cash: _____ Completed Job: _____ Accrual: _____ Percent of Completion: _____

On what basis are taxes paid? (check one)

Cash: _____ Completed Job: _____ Accrual: _____ Percent of Completion: _____

Are taxes current? (check one) YES: _____ NO: _____ If NO, please attach specifics.

Name of Your Bank: _____

Contact: _____ Phone Number: (_____) _____

Address: _____

Do you have an established Line of Credit? (circle one) YES NO

If YES, attach specifics

Type of Cost Accounting Used (i.e. Peachtree, Timberline, checkbook, etc.) _____

4. Work Profile: What percentage of the firm's work is for: Government _____% Private _____%

What trades do you normally undertake with your own forces? _____

What is your expected dollar volume next year? \$ _____

What is the largest uncompleted work program expected during the next year? \$ _____

What was the largest job you have ever completed? \$ _____

What has been your largest previous bonded job? \$ _____ Year _____

What is the largest amount of uncompleted work on hand at one time in the past three-(3) years?

\$ _____

Has the firm had major disputes or ever failed to complete a job on schedule? (circle one)

YES NO If YES, please attach specifics.

Are there any liens, judgments, lawsuits, or claims pending on completed or uncompleted work?

(circle one) YES NO If YES, please attach specifics.

Largest Contracts Completed Within Past Five (5) Years

a. Job Name: _____ Contract Price: \$ _____

Owner: _____

Contact: _____ Phone Number: _____

Bonded? _____ Completion Date: _____ Gross Profit: \$ _____

b. Job Name: _____ Contract Price: \$ _____

Owner: _____

Contact: _____ Phone Number: _____

Bonded? _____ Completion Date: _____ Gross Profit: \$ _____

c. Job Name: _____ Contract Price: \$ _____

Owner: _____

Contact: _____ Phone Number: _____

Bonded? _____ Completion Date: _____ Gross Profit: \$ _____

List three (3) Subcontractors (or Contractors if you are a Subcontractor) who you do business with.

- a. Name: _____ Phone Number: _____
 Address: _____
 Contact: _____ Job _____
- b. Name: _____ Phone Number: _____
 Address: _____
 Contact: _____ Job _____
- c. Name: _____ Phone Number: _____
 Address: _____
 Contact: _____ Job _____

List three (3) Major Suppliers you do business with:

- a. Name: _____ Phone Number: _____
 Address: _____
 Contact: _____ Job _____
- b. Name: _____ Phone Number: _____
 Address: _____
 Contact: _____ Job _____
- c. Name: _____ Phone Number: _____
 Address: _____
 Contact: _____ Job _____

This application consists of this instrument, the financial statement, and all indemnity, security, and trust agreements signed by the applicant with regard to the bond or bonds hereby requested, such financial statement and agreements being incorporated herein by reference.

In addition to routine verification of information pertinent to the bond applied for, if the application is by an individual primarily for personal purposes, or, if the application is for a bond primarily for the benefit of a corporation and the said application be also executed for the officers of the Corporation in a personal not a corporate capacity thereby acting as a CO-guarantor thereof, Surety may have an investigative consumer report made including information bearing on the character, general reputation, personal characteristics or mode of living of said individuals(s), and, upon written request of said individual(s) will disclose in writing the nature and scope of the investigation requested, if such investigative consumer report is in fact secured.

In addition to the information contained in this application as well as the terms and conditions thereof, applicant acknowledges that he has been advised that surety may, as additional collateral, require life insurance on the principal or key employees with surety named as beneficiary. In case of death, said collateral shall be used to indemnify surety against loss or expenses. If said collateral shall be required, applicant agrees to provide same at issuance of bond or if unable to so provide, applicant agrees that surety may secure same at applicants expense.

The representations contained in this instrument and in the financial statement are warranted by the applicant to be true. Such representations are made as material inducements to be relied upon by Surety in issuing the bond or bonds hereby requested.

DATED SIGNED: _____ X _____

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

**Information Required For Preparation
of General Indemnity Agreement**

“THIS IS NOT AN INDEMNITY AGREEMENT”

Legal Name of Company
(As it will appear on Contracts)

Sole Proprietor’s Name (if proprietor)

Corporation President (if corporation)

Partner’s Name (if partnership)

Corporation Secretary (if corporation)

Partner’s Name (if partnership)

PRINCIPAL(S)

Individual Indemnitor

Spouse

Social Security Number

Social Security Number

Home Address (street, city, state, and zip code)

Home Address (street, city, state, and zip code)

Home Phone (including area code)

Home Phone (including area code)

Individual Indemnitor

Spouse

Social Security Number

Social Security Number

Home Address (street, city, state, and zip code)

Home Address (street, city, state, and zip code)

Home Phone (including area code)

Home Phone (including area code)

If additional space is needed, please use a separate sheet of paper and follow the same format to report requested information.

FINANCIAL STATEMENT REQUIREMENTS

The following guidelines are preferred, but not mandatory. The final decision on financial statement acceptability is determined by the Underwriter.

ALL YEAR-END AND INTERIM STATEMENTS MUST INCLUDE:

1. **CPA COVER LETTER**

Must be on CPA letterhead and describe the scope of their work on the financial statement.

2. **BALANCE SHEET**

Assets and Liabilities must be separated into Current and Non-Current

3. **INCOME STATEMENT**

4. **STATEMENT OF CASH FLOW**

5. **FOOTNOTES**

If the principal is a new entity, a “going in” balance sheet is acceptable. The preparer’s cover letter must contain information outlining when the business started, the date of its year-end and comments (if applicable) concerning any affiliate companies still in existence or recently discounted.

STATEMENT QUALITY GUIDELINES BONDS UP TO \$100,000

Compiled year-end and six-month interim financial statements prepared by a CPA are required, “in-house” prepared financial statements are normally not acceptable, but will be considered on a case-by-case basis.

BONDS OF \$100,000 TO \$1,000,000

Reviewed year-end financial statement prepared by a CPA is required. The six-month interim financial statement may be compiled.

BONDS OVER \$1,000,000

Audited year-end financial statement prepared by a CPA may be required. Schedule of Completed and Uncompleted jobs should be included. The six-month interim financial statement may be compiled.

SAMPLE

BANK REFERENCE LETTER

(To be Completed by Bank Officer on Bank Letterhead)

(Date)

Gregory E. Nash
Bonds Southeast, Inc.
1030 17th Avenue South
Nashville, TN 37212

RE: (Principal)

I have been acquainted with the above-named contractor for _____ years. The average bank account for the last year has been \$ _____. The current account balance is \$ _____.

We have provided a working capital line of credit to this contractor in the amount of \$ _____, secured by _____.

The current amount owing against this working capital line of credit is \$ _____.
The line of credit expires on _____.

Sincerely yours,

(Name of Bank Office)
(Title)

To the Bank: Please feel free to add any additional information that you feel will be helpful for surety consideration of this account.

PERSONAL FINANCIAL STATEMENT AS OF: _____, 20____

Name of Individual	Social Security Number	Date of Birth
Name of Spouse	Social Security Number	Date of Birth

Residential Address (Street, City, Zip Code)	Home Phone Number (Including Area Code)
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ASSETS		LIABILITIES	
Cash in Banks:		Loans Payable (Banks):	
Notes Receivable:		Notes Payable:	
Accounts Receivable:		Accounts Payable:	
Stocks/Bonds/Securities:		Taxes Payable:	
Real Estate (Residence)		Mortgages Payable:	
Real Estate (Investment/Other):		Other Liabilities:	
Cash Value Life Insurance:			
Personal Property:		TOTAL LIABILITIES:	
Other Assets:		NET WORTH:	
TOTAL ASSETS:		Total Net Worth and Liabilities:	

INCOME	Salary: \$	Spouse's Salary\$	TOTAL INCOME:
	Bonus/Other:\$	Bonus/Other\$	\$

SUPPLEMENTARY SCHEDULES OF ASSETS & LIABILITIES

(NOTE: All data listed above must appear in the appropriate schedules. Insert "NONE" where appropriate.)

CASH IN BANKS

Bank Name, Branch & Location	Account Number	Amount

NOTES & ACCOUNTS RECEIVABLE

Name & Address of Debtor	Amount	Due Date	Pledged (yes/no)	Security

STOCKS/BONDS/SECURITIES

Name & Number(s) of Stock, Bond or Security	No. of Shares	Price/Share	Market Value	Exchange & Call Sign

Name of Insurance Company	Beneficiary	Face Value	Cash Value	Loans Outstanding

OTHER ASSETS

Description	Title Holder	Cost	Market Value	Age of Asset

LOANS PAYABLE

Name of Lender	Address	Balance Due	Amount Due in One Year	How Secured

ACCOUNTS & NOTES PAYABLE (Including Charge Accounts)

Payable to Whom	Address	Amount	Monthly Payment	Due Date	How Secured

TAXES PAYABLE (State & Federal)

Description	Amount	Date Payment is Due

OTHER LIABILITIES

Description	Payable to Whom	Amount	Monthly Payment	Due Date	How Secured

Are you contingently liable or an endorser on any bonds or other obligations? YES: _____ NO: _____

Are you involved in any litigation? YES _____ NO _____ Have you filed for bankruptcy in the last 7 years? YES _____ NO _____

By: _____ Date: _____

By: _____ Date: _____

RESUME

Name of Owner (or Key Personnel): _____

Home Address: _____

City, State, Zip Code: _____ Phone No. _____

PERSONAL DATA

Date of Birth: _____ Social Security Number: _____ Marital Status: _____

Driver's License Number: _____ Spouse's Name: _____

Spouse's Employer, Employer's Address, Position and Length of Employment: _____

EDUCATION

Did you graduate from High School? YES _____ NO _____ (Check One)

Did you attend College? YES _____ NO _____ (Check One) From 19 ____ to 19 ____ . Please list the college(s) you attended and any degrees received:

Please list any specialized education you have received relating to construction and/or your profession:

BUSINESS/PROFESSIONAL EXPERIENCE

Please list any business and professional experience relating to construction and/or your profession. (Please indicate firm name, length of time employed, occupation, largest project you were involved in, and reason for leaving.): _____

PERSONAL REFERENCES

(list name, address, phone number, length of time acquainted and relationship to reference.):

ATTACH ADDITIONAL PAGES IF NEEDED
MAKE AS MANY COPIES AS NECESSARY

BUSINESS PLAN

Name of Business _____

Business Address _____

Year Business Began _____ If Corporation, when did it incorporated? _____

Fiscal Year End _____

Number of Employees when you began Business _____ Currently _____

Name and Position of Relatives who work for Business

1. _____ 2. _____

3. _____ 4. _____

Sales Volume for First Year in Business \$ _____ Sales Volume for Latest Year \$ _____

What Exactly Does Your Business Do? _____

Outline Your Business Goals for the Next 12 Months _____

Continuity Provisions

Do you have Life Insurance? YES _____ NO _____ (Check One) If Yes, How Much? \$ _____

Is Your Life Insurance to be paid to the Business? YES _____ NO _____ (Check One)

Do you have enough Life Insurance to cover all Outstanding Work On Hand?
YES _____ NO _____ (Check One)

How Much Life Insurance do you have for your Family? \$ _____

Give a Description of Continuity Provisions, including Management Experience, You have for Your Business.

In the Event of Your Death, Who would Run Your Business? _____

What will happen to Your Business when You Retire? _____

SCHEDULE OF UNCOMPLETED WORK (ALL WORK – BONDED & NON BONDED – IF COST PLUS PLEASE INDICATE)

ATTACH ADDITIONAL SHEETS IF NECESSARY

NAME OF CONTRACTOR						DATE AS OF:			
DESCRIPTION OF JOB	STARTING DATE	COMPLETION DATE	BONDED	NOT BONDED	CONTRACT PRICE (Including Approved Change Orders)	CONTRACTOR'S EST COST When Bid (Including Cost of Approved Change Orders)	TOTAL BILLED To Date Including Retainages (Explain Any Disputed Items)	TOTAL COST To Date	REMAINING Cost to Complete
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
Totals									

Contracts Completed During Last Fiscal Year or Since Last Status of Contracts Report

Contract Description	Final Contract Price	Total Cost	Gross Profit or Loss

1. DO ANY BILLINGS INCLUDE UNAPPROVED CLAIMS ON DISPUTED ITEMS?

_____ YES _____ NO

2. ARE ANY CONTRACTS BEHIND SCHEDULE AND SUBJECT TO PENALTY?

_____ YES _____ NO

Principal's Signature _____ Date _____

Bond Information Form: Bid Or Contract Bond
(Please Make Copies)

Today's Date _____

Contractor _____

Amount of Contract (If Bid, Estimate) \$ _____

Amount of Bond: Bid _____% Performance _____% Payment _____%

If Bid: Date _____ Time: _____ Place: _____

Description and Location of Job _____

Project Number _____ Contract Date _____ % of Work to be Subcontracted _____

Government Invitation Number _____

Obligee (Party To Whom Bond Is To Be Given) _____

Obligee's Address _____

Architect or Engineer _____

Architect's or Engineer's Address _____

Date Work is To Begin _____ Estimated Completion Date _____

Penalty For Non-Completion On Time \$ _____ Maintenance Period _____

How are Payments To Be Made _____?

Bid Tabulation, Please Check The Winning Bid. (If Performance Bond, Provide List of Other Bids.)

_____ Lowest Bidder: Firm: _____ \$ _____

_____ 2nd Lowest Bidder: Firm: _____ \$ _____

_____ 3rd Lowest Bidder: Firm: _____ \$ _____

If Your Bid is Not Listed Above, What Was Your Bid Price? \$ _____

Type and Number of Bond Form Requested _____

Submitted By _____ Title _____