



Contract Bonds

In order to help service your well-financed contractors who occasionally need bid and performance bonds we are providing guidelines for the producer to follow. The items we need to consider are:

For Contracts Below \$100,000:

1. A copy of the latest year-end business financial statement - **in its entirety**;
2. If the financial statement is not prepared by a CPA we will need copies of all bank statements to verify the cash balances shown;
3. A recent personal financial statement of each of the owner(s);
4. If a sole proprietorship, submit the latest available federal income tax return;
5. A completed Contractor's Profile and the Specific Bond Request forms;
6. A copy of the bid specifications or the contract itself;
7. Agent's recommendation letter;

For Contracts \$100,000 or more, all of the above plus:

8. The last three year-end CPA prepared business financial statements - **in their entirety**;
9. Work-On-Hand Schedule;
10. Bank reference letter (sample attached);
11. Certificate of Insurance.

The contractor, the owners and their spouses will be required to properly complete our General Indemnity Agreement.

INDEMNITY

Is the full indemnity of all owners, partners or stockholders available?

Please check one: Yes No

List Indemnitors below (full legal name) and spouses.

| Name | Home Address and Zip Code | Social Security Number |
|------|---------------------------|------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

AFFILIATES

List affiliates, subsidiaries or related companies in which this firm or its stockholders have an interest:

| Company | Relationship to Principal | % Ownership By Principal |
|---------|---------------------------|--------------------------|
| | | |
| | | |
| | | |
| | | |

WORK/SUBS/TERRITORY

Type of work performed? _____

Percent of work sub-let? _____

Policy on managing Subcontractors: Bonds: Yes No Joint Check: Yes No

Other: _____

Have you been, or do you intend to become involved in real estate development, design/build work, turnkey projects or speculative building? Yes No *If so, please attach full explanation.*

Territory of operations: _____

PRIOR EXPERIENCE/LARGEST JOBS

| Owner and Full Mailing Address | Description and Location of Job | *Arch/Engineer Mailing Address | Contract Price | Profit | Year Done |
|--------------------------------|---------------------------------|--------------------------------|----------------|--------|-----------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

What dollar size jobs do you feel best able to handle? _____

What is the largest dollar amount of uncompleted work on hand you have ever had at one time? _____ Year? _____

**Note: Make certain a complete mailing address is available for Owner/General or Arch/Engineer.*

SUPPLIER/REFERENCES

Do you pay your bills: within 30 days within 60 days over 60 days

Name six (6) suppliers from which you buy most of your materials

| | Name | Address, City, State, Zip Code |
|----|------|--------------------------------|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |
| 6. | | |

*Are there any claims or disputes from your supplier reference list? If yes, attach details. Yes No

Note: Please be advised that in the qualification and underwriting process, certain Arch./Engineer/Owners/Suppliers and others in the Profile may be contacts as references or to verify the information provided. Accuracy and completeness are very important.

BANKING

At which bank(s) have you established a formal line of credit? (attach copy)

| Bank | Address | Line Amount | Collateral |
|------|---------|-------------|------------|
| | | | |
| | | | |

Contact Person: _____ Telephone Number: _____

Contact Person: _____ Telephone Number: _____

CONTINUITY

| Insured | Amount | Beneficiary | Type-Whole Life, Term, Etc. |
|---------|--------|-------------|-----------------------------|
| | | | |
| | | | |
| | | | |

Is there a buy-sell agreement in effect? Yes If so, how is it funded? (Please provide a copy).
 No If not, attach a full explanation of continuity arrangements.

Are there any trust agreements in effect which now hold, or will hold at some future date, any of the company stock or assets

Yes (if so, please attach a copy) No

ACCOUNTING

Name of accounting firm: _____ Telephone Number: _____

Associate handling your account: _____ May we contact him/her? Yes No

Number of years this firm has prepared financial statements: _____ Tax returns: _____

Fiscal year end: _____ Are taxes, both company and personal current? Yes No

Basis of preparation of Statements:

Cash Completed Contract Simple Accrual % of Completion

Basis of preparation of Tax Payments:

Cash Completed Contract Simple Accrual % of Completion

Date: _____

Signed: _____ Title: _____



RLI Insurance Company
 P.O. Box 3967 Peoria IL 61612-3967
 Phone: 309-692-1000 Fax: 309-692-8637

Work-On-Hand Schedule

Contractor's Name: _____

Contracts In Progress Date: _____

| Contract Description and Location | Contract Price Including Approved Change Orders | *Total Amount Billed To Date Including Retainage | Total Costs To Date | Revised Estimated Costs to Complete | Est. Completion Date |
|-----------------------------------|---|--|---------------------|-------------------------------------|----------------------|
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |
| 5. | | | | | |
| 6. | | | | | |
| 7. | | | | | |
| 8. | | | | | |
| 9. | | | | | |
| 10. | | | | | |

Contracts Completed During the Last Fiscal Year Or Since Last Status of Contracts Report

| Contract Description and Location | Final Contract Price | Total Cost | Gross Profit or Loss |
|-----------------------------------|----------------------|------------|----------------------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| 6. | | | |
| 7. | | | |

*Do not include "claims" or "disputed items." If desired, attach an explanation.

This information prepared

By: _____

Date: _____

| | | | | | | |
|---------------------------------|---|-------------|-----------|---------|------|-------|
| AGENT/BROKER INFORMATION | Agent/Broker Name | Agency Code | Phone No. | Fax No. | City | State |
| | AGENT'S RECOMMENDATION <input type="checkbox"/> We are not very familiar with this applicant. <input type="checkbox"/> We are familiar with applicant and are aware of no adverse information about him/her. <input type="checkbox"/> We know applicant very well and offer our highest recommendation. | | | | | |

NOTE: *This sample letter must be supplied to your banker. This outline must be followed and all current balances and average balances must be indicated in actual dollar amounts. Should your banker have any questions please have him/her contact your agency.*

SAMPLE BANK LETTER

Bank Letterhead

Date _____

RLI Insurance Company
9025 N. Lindbergh Drive
Peoria, IL 61615

RE: BANK RELATIONS / MR. JOHN DOE AND ABC CONSTRUCTION COMPANY

Mr. John Doe originally opened his accounts with this institution on _____ and maintains the following account:

Business Checking Account: Acct. #0000000-01; Current Balance = \$ _____, 6 Mo. Avg. Bal. = \$ _____

Business Checking Account: Acct. #0000000-02; Current Balance = \$ _____, 6 Mo. Avg. Bal. = \$ _____

Personal Checking Account: Acct. #0000000-03; Current Balance = \$ _____, 6 Mo. Avg. Bal. = \$ _____

Personal Savings Account: Acct. #1000000-01; Current Balance = \$ _____, 6 Mo. Avg. Bal. = \$ _____

Certificate of Deposit in the name of _____ No. _____ Amount: \$ _____

Term: _____; Opened: _____; Matures: _____; Automatically Renewable: Yes ___ No ___

Mr. Doe also maintains a Revolving Line of Credit in the name of ABC Construction Company for working capital.

Amount: \$ _____; Opened: _____; Expiration: _____;

Security: _____

Terms: _____ Current Amt. Outstanding: \$ _____

Very truly yours,

By: _____ (Bank Officer)

(Typed Name and Title)

PERSONAL FINANCIAL STATEMENT

IMPORTANT: Read these directions before completing this Statement.

- If you are applying for individual credit in your own name and are relying on your own income or assets of another person as the basis for repayment of the credit requested, complete only Sections 1 and 3.
- If you are applying for joint credit with another person, complete all Sections providing information in Section 2 about the joint applicant.
- If you are applying for individual credit, but are relying on income from alimony, child support, or separate maintenance or on the income or assets of another person as a basis for repayment of the credit requested, complete all Sections providing information in Section 2 about the person whose alimony, support, or maintenance payments or income or assets you are relying on.
- If this statement relates to your guaranty of the indebtedness of other person(s), firm(s), or corporation(s), complete Sections 1 and 3.

TO:

| SECTION 1 - INDIVIDUAL INFORMATION <small>(Type or Print)</small> | | SECTION 2 - OTHER PARTY INFORMATION <small>(Type or Print)</small> | |
|---|------------|--|------------|
| Name | | Name | |
| Residence Address | | Residence Address | |
| City, State & Zip | | City, State & Zip | |
| Position or Occupation | | Position or Occupation | |
| Business Name | | Business Name | |
| Business Address | | Business Address | |
| City, State & Zip | | City, State & Zip | |
| Res. Phone | Bus. Phone | Res. Phone | Bus. Phone |

| SECTION 3 - STATEMENT OF FINANCIAL CONDITION AS OF _____, _____ | | | |
|--|---|---|---|
| ASSETS <small>(Do not include Assets of doubtful value)</small> | In Dollars <small>(Omit cents)</small> | LIABILITIES | In Dollars <small>(Omit cents)</small> |
| Cash on hand and in banks | — | Notes payable to banks - secured | — |
| U.S. Gov't. & Marketable Securities - see Schedule A | — | Notes payable to banks - unsecured | — |
| Non-Marketable Securities - See Schedule B | — | Due to brokers | — |
| Securities held by broker in margin accounts | — | Amounts payable to others - secured | — |
| Restricted or control stocks | — | Amounts payable to others - unsecured | — |
| Partial interest in Real Estate Equities - see Schedule C | — | Accounts and bills due | — |
| Real Estate Owned - see Schedule D | — | Unpaid income tax | — |
| Loans Receivable | — | Other unpaid taxes and interest | — |
| Automobiles and other personal property | — | Real estate mortgages payable - see Schedule D | — |
| Cash value-life insurance - see Schedule E | — | Other debts - itemize | — |
| Other assets - itemize | — | | — |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | TOTAL LIABILITIES | — |
| | — | NET WORTH | — |
| TOTAL ASSETS | — | TOTAL LIAB. AND NET WORTH | — |

| SOURCES OF INCOME FOR YEAR ENDED | PERSONAL INFORMATION |
|---|---|
| Salary, bonuses & commissions \$ | Do you have a will? _____ If so, name of executor. |
| Dividends | Are you a partner or officer in any other venture? If so, describe. |
| Real estate income | |
| Other income (Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation) | |
| TOTAL \$ | Are you obligated to pay alimony, child support or separate maintenance payments? If so, describe. |
| CONTINGENT LIABILITIES | Are any assets pledged other than as described on schedules? If so, describe. |
| Do you have any contingent Liabilities? If so, describe | Income tax settled through (date) |
| | Are you a defendant in any suits or legal actions? |
| As endorser, co-maker or guarantor? \$ | Personal bank accounts carried at: |
| On leases or contracts? \$ | |
| Legal claims \$ | |
| Other special debt \$ | |
| Amount of contested income tax liens \$ | Have you ever been declared bankrupt? If so, describe. |

SCHEDULE A - U.S. GOVERNMENTS & MARKETABLE SECURITIES

| Number of Shares or Face Value (Bonds) | Description | In Name Of | Are These Pledged? | Market Value |
|--|-------------|------------|--------------------|--------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

SCHEDULE B - NON-MARKETABLE SECURITIES

| Number of Shares | Description | In Name Of | Are These Pledged? | Source of Value | Value |
|------------------|-------------|------------|--------------------|-----------------|-------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

SCHEDULE C - PARTIAL INTERESTS IN REAL ESTATE EQUITIES

| Address & Type of Property | Title In Name Of | % of Ownership | Date Acquired | Cost | Market Value | Mortgage Maturity | Mortgage Amount |
|----------------------------|------------------|----------------|---------------|------|--------------|-------------------|-----------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

SCHEDULE D - REAL ESTATE OWNED

| Address & Type Of Property | Title in Name Of | Date Acquired | Cost | Market Value | Mortgage Maturity | Mortgage Amount |
|----------------------------|------------------|---------------|------|--------------|-------------------|-----------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
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SCHEDULE E - LIFE INSURANCE CARRIED, INCLUDING N.S.L.I. AND GROUP INSURANCE

| Name Of Insurance Company | Owner Of Policy | Beneficiary | Face Amount | Policy Loans | Cash Surrender Value |
|---------------------------|-----------------|-------------|-------------|--------------|----------------------|
| | | | | | |
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| | | | | | |
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SCHEDULE F - BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

| Name & Address Of Lender | Credit In The Name Of | Secured Or Unsecured? | Original Date | High Credit | Current Balance |
|--------------------------|-----------------------|-----------------------|---------------|-------------|-----------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

The information contained in this statement is provided for the purpose of obtaining, or maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in your favor. Each undersigned understands that you are relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of a change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the statements made herein, and to determine my/our creditworthiness. You are authorized to answer questions about your credit experience with me/us.

Signature (Individual) _____

S.S. No _____ Date of Birth _____

Signature (Other Party) _____

Date Signed _____

S.S. No _____ Date of Birth _____



Specific Bond Request Bid Bond

| | | |
|---|-----------------------|-------------------|
| Agent | | Agent Code |
| Address | | |
| Phone | Date Requested | |
| Contractor | | |
| Contractor Address | | |
| Obligee | | |
| Obligee Address | | |
| Architect/Engineer (if sub, put general) | | |
| Architect's/Engineer's Address | | |
| Bid Date | | |
| Invitation No. (federal) | | |
| Estimated Contract Amount | | |
| Percent Bid Bond Required | | |
| Job Description (including location) | | |
| Date Work Is To Begin | | |
| Estimated Completion Date | | |
| Penalty Clause | | |
| How Payments Are To Be Made | | |

Subcontractors

(If any work is subbed out, list below; if none, so state)

| Name | Trade | Phone | % of Contract | Bonded? |
|-------------|--------------|--------------|----------------------|----------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |



Specific Bond Request Performance & Payment Bond

| | | |
|---|-----------------------|-------------------|
| Agent | | Agent Code |
| Address | | |
| Phone | Date Requested | |
| Contractor | | |
| Contractor Address | | |
| Obligee | | |
| Obligee Address | | |
| Architect/Engineer (if sub, put general) | | |
| Architect's/Engineer's Address | | |
| Contract Amount | | |
| Job Description (including location) | | |
| Start Date | | |
| Estimated Completion Date | | |
| Penalty Clause | | |
| How Payments Are To Be Made | | |

Subcontractors

(If any work is subbed out, list below; if none, so state)

| Name and Address | Trade | Phone | % of Contract | Bonded? |
|------------------|-------|-------|---------------|---------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
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| | | | | |

BID Spread

| | Name | Bid |
|-------------|------|-----|
| Low | | |
| 2nd | | |
| 3rd | | |
| High | | |