

# Next Step

**Contract surety program with total bond needs of  
\$1,000,000 or less at any given time.**

1. **Application** - Complete **Next Step Application**.
2. **Financial Information** - Provide:
  - Business tax return and financial statement.
  - Personal financial statement and personal tax return.
3. **Indemnity Agreement** - Must be completed and signed by all owners and spouses.
4. **Bid Requests** - Furnish a copy of the bid invitation document.
5. **Performance & Payment Bond** - Include copies of the bid results, contract documents, and any required bond forms.

This program is designed for straight-forward construction projects with completion dates of a year or less. It does not apply to subdivision/completion, service, residential, design-build, software, maintenance, multi-year or environmental contracts, with the exception of asbestos and lead based paint removal/abatement projects. This list is subject to change and may not be all-inclusive.

Producer should advise applicant that certain credit and reference checks may be made during the underwriting process.

# Next Step Application

## Small Contract Bond Program

### Bonded Aggregate Programs up to \$1,000,000

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<b>CONTRACTOR INFORMATION</b>	Business (Legal) Name							
Business Address					City		State	Zip
Phone		Fax		E-Mail Address				
Years in Business			If Incorporated, Incorporation Date			State of Incorporation		
Subsidiaries or Affiliates								
<b>PERSONAL INFORMATION</b>	Indemnitor Name				Social Security No.		Date of Birth	Home Phone
Indemnitor Address/City/State/Zip							% Ownership	Indemnitor's Title
Spouse's Name (check here <input type="checkbox"/> if not married)					Social Security No.		% Ownership	Date of Birth
<b>PERSONAL INFORMATION</b>	Indemnitor Name				Social Security No.		Date of Birth	Home Phone
Indemnitor Address/City/State/Zip							% Ownership	Indemnitor's Title
Spouse's Name (check here <input type="checkbox"/> if not married)					Social Security No.		% Ownership	Date of Birth
<b>JOB/PROJECT INFORMATION</b>	Bond Type (Bid, Final)	Bid/Contract Amount	Bid Date	Project Start Date		Completion Date		Bid Bond Percentage
Maintenance Period		Liquidated Damages	Time Allowed for Completion		Performance Bond Amount		Payment Bond Amount	
Project Description (attach copy of bid invitation/specifications or contract)								
Project Location								
Obligee/Owner				Contact Person			If Private Owner, Financing by	
Obligee Address/City/State/Zip							Phone	
If this is a final bond request, list the top three bidders and their amounts								
1. _____								
2. _____								
3. _____								
<b>LARGEST CONTRACTS INFORMATION</b>				List largest contracts completed:				
Largest Project 1 (Owner/General Contractor)				Location				
Type of Work			Contract Amount		Year Completed		Final Profit	
Contact Person				Phone		Fax and/or Email		
Largest Project 2 (Owner/General Contractor)				Location				
Type of Work			Contract Amount		Year Completed		Final Profit	
Contact Person				Phone		Fax and/or Email		
Largest Project 3 (Owner/General Contractor)				Location				
Type of Work			Contract Amount		Year Completed		Final Profit	
Contact Person				Phone		Fax and/or Email		

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<b>CURRENT JOB/PROJECT INFORMATION</b> List the two (2) largest contracts currently underway:				
Owner/General Contractor	Type of Work	Project Location		Contract Amount
Contact Person	Phone	Fax and/or Email	% Complete	Anticipated Completion Date
Owner/General Contractor	Type of Work	Project Location		Contract Amount
Contact Person	Phone	Fax and/or Email	% Complete	Anticipated Completion Date

<b>SUPPLIER/SUBCONTRACTOR INFORMATION</b> List the major suppliers and subcontractors with whom you have conducted business in the last 12 months:					
Name of Account Payable	Amount Owed	% Over 60 Days	Contact Person	Phone	Fax or Email
Name of Account Payable	Amount Owed	% Over 60 Days	Contact Person	Phone	Fax or Email
Name of Account Payable	Amount Owed	% Over 60 Days	Contact Person	Phone	Fax or Email

<b>OPERATIONS INFORMATION</b>					
Type of Work Performed & Territory where presently work & plan to perform work					
Trades Performed in House			Trades Subcontracted		
Largest Work on Hand in the Past	Year	Number of Jobs	Average Job Size	Average Total Work on Hand	
Bank Line <input type="checkbox"/> Yes <input type="checkbox"/> No		Total Amount	Amount Available Currently		
Name of Liability Insurance Company		Expiration Date	Limits		
Agent's Name		Agent's Phone	Agent's Email		

<b>DISPUTES, FINANCIAL DIFFICULTIES, PROBLEMS, ETC.</b>				Company		Any officer, owner or partner	
1. Any company or personal assets held in trust or escrow accounts?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
2. Are any business or personal assets restricted or pledged for any purpose (i.e. collateral for a loan, etc.)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
3. Bonded or declined bonding in the last 3 years?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
4. Has this specific request been submitted to or declined by another surety?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
5. Been in claim previously with a surety?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
6. Involved in any lawsuits or disputes in past 5 years?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
7. Failed to complete any job or assessed delay damages or penalties?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
8. Declared personal or business bankruptcy or failed in any business?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
9. Delinquent in payment of any taxes?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
10. Involved in any other business entities?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No		

For any **YES** answer, provide complete details or copies of correspondence explaining all:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**The following statement must be signed by an owner or officer of the company for which bonding is being requested.**

I acknowledge that all information is complete and correct and is given to induce the insurance company to execute surety bonds. I understand that false information may constitute misrepresentation or fraud. I authorize you to investigate the credit, character, capacity and capital of the company and its employees and owners for bonding purposes.

Date \_\_\_\_\_ Signature and Title **X** \_\_\_\_\_

<b>PRODUCER INFORMATION</b>	Agency Name	Code	Phone	Fax	E-mail
Agency Address					Contact Person

<b>AGENT'S RECOMMENDATION:</b>	Comments:
<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.	_____ _____ _____

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false, incomplete, or misleading information, or conceals information concerning any material fact thereto, commits a fraudulent insurance act, which is a crime punishable by incarceration, and shall also be subject to civil penalties.

# General Indemnity Agreement

THIS AGREEMENT is made by \_\_\_\_\_

the undersigned persons or entities, all of which are individually and collectively referred to, whether one or more, as "Principal," for the continuing benefit of Surety in connection with any Bond executed on behalf of Principal or any one or more of them.

DEFINITIONS: The following terms shall have the following definitions in this Agreement:

**Bond:** Any surety bond, undertaking, or other express or implied obligation of guaranty of suretyship for Principal or any other person or entity at their request executed or committed to by Surety on, before or after this date, and any riders, endorsements, extensions, continuations, renewals, substitutions, increases or decreases in penal sum, reinstatements or replacements thereto.

**Principal:** The persons and entities, jointly and severally, signing below or for whom any Bond is issued or committed to by Surety, or any one or combination thereof, or their successors in interest, whether alone or in joint venture with others named herein or not named herein, and any person or entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with any party to this Agreement.

**Surety:** Any and all of **RLI Insurance Company** and/or **RLI Indemnity Company** and/or **Contractors Bonding and Insurance Company**, their respective reinsurers, and any other person or entity which may act as surety or co-surety on any Bond, or any other person or entity who executes any Bond at its request.

INDEMNITY: Principal:

1. Agrees to indemnify and save harmless Surety from and against any and all demands, claims, liabilities, costs, losses, penalties, obligations, interest, damages and expenses of whatever nature or kind, including but not limited to attorneys' fees (including those of both outside and in-house attorneys) and costs and fees incurred in investigation and adjustment of claims or potential claims, cost and loss containment, procuring or attempting to procure the discharge of Bond, or attempting to recover losses or expenses from Principal or third parties, whether or not Surety shall have paid out any such sums; and
2. Agrees to pay Surety and any producing agent all premiums on Bonds issued by Surety on behalf of Principal, in accordance with Surety's rates in effect when each payment is due. Premiums on contract bonds are based on the contract price, without reference to the penal sum of the Bond, and shall be adjusted due to changes in the total contract price. On any Bond where Surety charges an annual premium, such annual premium shall be due upon execution of the Bond and upon the renewal or anniversary date of such Bond until satisfactory evidence of termination of Surety's liability as a matter of law under the Bond is furnished to Surety's satisfaction; and
3. Agrees that in furtherance of such indemnity: (1) In any claim or suit arising out of or related to any Bond, this agreement or both, an itemized statement of Surety's loss and expense, sworn to by a representative of Surety, or other evidence of disbursement by Surety, shall be prima facie evidence of the fact and extent of Principal's liability under this Agreement, (2) Surety shall have the right to indemnity regardless of whether Surety has made any payment under any Bond, and (3) In any suit between Principal and Surety under this agreement or arising out of any Bond, Surety may recover its further expenses and attorneys' fees incurred in such suit both defending and prosecuting such suit.

GENERAL PROVISIONS: The principal further agrees as follows:

- A. If a claim or demand for performance of any obligation under any Bond is made against Surety, Principal, upon Surety's demand, shall immediately deposit with Surety United States legal currency, as collateral security, in an amount equal to the demand to Surety with respect to such claim or demand, plus an amount equivalent to Surety's estimate of its anticipated expenses and attorneys' fees to be incurred in connection therewith. Principal acknowledges and agrees that Surety shall be entitled to specific performance of this paragraph.
- B. Principal's obligations under this Agreement are joint and several. Repeated actions under this Agreement or as otherwise permitted may be maintained by Surety without any former action operating as a bar to any subsequent action. Surety's release of any one Principal shall not release any other Principal. Principal shall not be released from liability under this Agreement because of the status, condition, or situation of any Principal. The Principal or any personal indemnitor must send a written notice of intent to terminate to the Surety at its home office, 9025 N. Lindbergh Dr. Peoria, IL 61615. I agree that the termination will be effective thirty working days after actual receipt of such notice by Surety, but only for bonds signed or committed to by Surety after the effective date. Thus, I agree that I will remain liable to Surety for loss on bonds signed or committed to by Surety prior to the effective date of termination.
- C. If the execution of this Agreement by any Principal is defective or invalid for any reason, such defect or invalidity shall not affect the validity hereof as to any other Principal. Should any provision of this Agreement be held invalid, the remaining provisions shall retain their full force and effect.
- D. Principal waives any defense that this instrument was executed subsequent to the date of any Bond and acknowledges that such Bond was executed pursuant to Undersigned's request and in reliance on Undersigned's promise to execute this Agreement. Principal understands and agrees that this Agreement is a continuing agreement to indemnify over an indefinite period.
- E. Principal shall review all Bonds executed by Surety for errors and omissions prior to delivery of the Bond to the obligee, and hereby waives any claim against Surety arising out of any such error or omission.
- F. Surety shall have the right in its sole discretion to decide whether any claims arising out of or related to any Bond shall be paid, compromised, defended, prosecuted or appealed regardless of whether or not suit is actually filed or commenced against Surety upon such claim. Principal agrees to be conclusively bound by Surety's determination.
- G. Surety may decline to execute any Bond for any reason and shall not be liable to Principal, or any person or entity, as a result of such declination. Neither the issuance of a bid bond nor other confirmation of bondability shall obligate Surety to issue final bonds.

- H. As further security, Principal hereby grants to Surety a security interest in, and lien on, all of their equipment, machinery, plant, inventory, insurance policies, vehicles, tools, real property, and materials, as well as sums, claims, causes of action, accounts, accounts receivable, and rights due or to become due in connection with any contract, whether or not bonded by Surety. This Agreement shall constitute a Security Agreement and a Financing Statement for the benefit of the Surety in accordance with the Uniform Commercial Code and all similar statutes and a deed of trust or mortgage, as applicable, and may be filed by the Surety without notice to perfect the security interests and liens granted herein. The Surety may add schedules, property descriptions, and other documents to this Agreement as necessary and may sign a copy of this Agreement, or copy thereof, where required for filing as a Financing Statement or to otherwise perfect any interest granted herein.
- I. Principal hereby irrevocably nominates and appoints the Surety and its designees as their attorney-in-fact with the right, power, and authority, but not the obligation, to exercise all of the rights and powers of the Principal assigned, transferred, and set over to the Surety in this Agreement. Surety may, in the name of the Principal, or any one or more of them, make, endorse, execute, sign, and deliver any and all additional or other instruments and writings, including, but not limited to, assignments, financing statements, documents, instruments, checks, drafts, deposits, ACH and wire transfer directives, change of address notices, liens and releases thereof, applications, certificates, draw requests, releases, and papers deemed necessary or desirable by Surety, and to collect the proceeds thereof.
- J. A facsimile of this Agreement, including a facsimile signature, shall be considered an original and shall be admissible in a court of law to the same extent as an original copy.
- K. Any suit or action to enforce this Agreement must be brought, and all of Principal's obligations are due and payable, in Peoria, Peoria County, Illinois.

Dated: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.  
(Month) (Day) (Year)

**Company Name** (Print): \_\_\_\_\_ FEIN # \_\_\_\_\_

Signature X \_\_\_\_\_

(Person authorized to sign for the company) Name: \_\_\_\_\_ Title: \_\_\_\_\_

**CORPORATE ACKNOWLEDGEMENT**

State of \_\_\_\_\_  
 County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal. \_\_\_\_\_  
 [Signature of Notary]

**Individual Indemnitor:**

Signature X \_\_\_\_\_

(Indemnitor) Print Name here: \_\_\_\_\_

(Indemnitor) Social Security Number: \_\_\_\_\_

Signature X \_\_\_\_\_

(Spouse) Print Name here: \_\_\_\_\_

(Spouse) Social Security Number: \_\_\_\_\_

**Individual Indemnitor:**

Signature X \_\_\_\_\_

(Indemnitor) Print Name here: \_\_\_\_\_

(Indemnitor) Social Security Number: \_\_\_\_\_

Signature X \_\_\_\_\_

(Spouse) Print Name here: \_\_\_\_\_

(Spouse) Social Security Number: \_\_\_\_\_

**Individual Indemnitor:**

Signature X \_\_\_\_\_

(Indemnitor) Print Name here: \_\_\_\_\_

(Indemnitor) Social Security Number: \_\_\_\_\_

Signature X \_\_\_\_\_

(Spouse) Print Name here: \_\_\_\_\_

(Spouse) Social Security Number: \_\_\_\_\_

**INDIVIDUAL ACKNOWLEDGEMENT**

State of \_\_\_\_\_  
 County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, personally appeared \_\_\_\_\_

\_\_\_\_\_ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal. \_\_\_\_\_  
 [Signature of Notary]