



**SIOUX FALLS**  
 101 South Phillips Avenue, P.O. Box 5077  
 Sioux Falls, SD 57117-5077  
 1-800-331-6053 / Fax 605-335-0357

**Contract Bond Application**

Bonds for Contracts up to \$200,000 Single or \$400,000 Aggregate Line

**INSTRUCTIONS AND CHECK (✓) LIST**

*The following documents must be fully completed and submitted to CNA Surety to avoid delays:*

**1) APPLICATION**

- 2 x 4 Contract Bond Application** Complete the included application in detail.
- General Indemnity Agreement** Complete the included General Indemnity Agreement. Please have the agreement signed by an owner/officer as Principal and all owners and their spouses as Indemnitors.
- Contract and Bond Form** Provide a copy of the contract and bond form.

**2) FINANCIAL INFORMATION \*\***

- Business Financial Information for (C) Corporations, (S) Corporations, and LLCs:** Provide the company's latest CPA prepared fiscal year-end financial statement. If a CPA prepared financial statement is unavailable, provide the company's in-house prepared fiscal year-end financial statements along with the company's most recent tax return.
- Business Financial Information for Sole Proprietorships and Partnerships:** Provide the company's latest CPA prepared fiscal year-end financial statement. If a CPA prepared financial statement is unavailable, provide the company's in-house prepared fiscal year-end business financial statement and a copy of Schedule C from the owners' most recent personal tax returns.
- Personal Financial Statements** Provide a copy of each owner's personal financial statement. Include supporting bank and marketable securities statements for verification purposes.

\*\* Please discuss with the applicant(s) our intent to access personal credit history to facilitate the underwriting review process.

**Things to Remember:**

- 1) This application is **not** intended for:
  - a) Single Contract over \$200,000 or Aggregate Line over \$400,000.
  - b) Contracts in connection with Asbestos Abatement, Completion, Subdivision, Hazardous Materials, Site Improvement over \$50,000, Software Development or Consulting Contracts, or Stand Alone Maintenance Contracts.

**2) *Already prequalified?***

Only the Contractor Data (Company Name) and Specific Bond Request Data sections (page 2) are required when applying for a bond for a prequalified contractor under this 2 x 4 Contract Bond program.

**IF YOU HAVE ANY QUESTIONS ABOUT THE APPLICATION,  
 PLEASE CALL 800-331-6053.**



### CONTRACTOR DATA

### Contract Bond Application

Type of Business:  Partnership  (S) Corporation  (C) Corporation  Sole Proprietorship  LLC  LLP  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_ Tax ID# \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Date Started in Business \_\_\_\_\_  
 Company Phone No. (\_\_\_\_) \_\_\_\_\_ Company Fax No. (\_\_\_\_) \_\_\_\_\_ E-mail Address \_\_\_\_\_  
 List Subsidiaries or Affiliates: \_\_\_\_\_

### SPECIFIC BOND REQUEST DATA

If prequalification only, check here , and skip the rest of this section.

Anticipated Start Date \_\_\_\_\_ Time for Completion \_\_\_\_\_ Maintenance Period \_\_\_\_\_  
 Oblige (Who is requiring the contractor get a bond?) \_\_\_\_\_  
 Oblige Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Job Description \_\_\_\_\_

How much and what work will be subcontracted? \_\_\_\_\_

*\*This Application is not intended for use in connection with Asbestos Abatement, Completion, Subdivision, Hazardous Materials, Site Improvement over \$50,000, Software Development or Consulting Contracts, or Stand Alone Maintenance Contracts.*

**Check and Complete:** (Please enclose a copy of the contract and bond form.)

(check one only)

**Bid Bond:** What is the bid date? \_\_\_\_\_ Estimated total amount of bid: \$ \_\_\_\_\_  
 Bid Bond % amount \_\_\_\_\_ OR, if flat amount, \$ \_\_\_\_\_

OR

**Performance & Payment Bond**  **Supply Bond**  **Subcontractor Performance & Payment Bond**  
 Contract Price \$ \_\_\_\_\_ Contract Date (Date when contract is signed) \_\_\_\_\_  
 Is General Contractor bonded on this job?  Yes  No  
 By whom? \_\_\_\_\_

Next two lowest bidders (If truly negotiated, check box)

1. \_\_\_\_\_ \$ \_\_\_\_\_ 2. \_\_\_\_\_ \$ \_\_\_\_\_

#### Status of Prior Bid or Performance Bonds:

Bond No. \_\_\_\_\_ Bid Awarded:  Yes  No Bond No. \_\_\_\_\_ Bid Awarded:  Yes  No

### BOND FORM DATA

(check one)

CNA Form  Oblige Form  AIA Form  State Form  Federal (send copy of RFP form)  
 (Send copy for review) (Send copy for review) Contract # \_\_\_\_\_  
 Do you wish to execute this bond in your office?  Yes  No State of Incorporation \_\_\_\_\_

Name of Licensed Agent who will sign the bond for this job \_\_\_\_\_

### OWNERS DATA / INDEMNITORS

(Provide the information below on all owners, officers and/or partners of the company; use additional sheet if necessary)

Name _____	Name _____
Title _____ % of Business Ownership _____	Title _____ % of Business Ownership _____
Home Address _____	Home Address _____
City/State/Zip _____	City/State/Zip _____
SS# _____ DOB _____	SS# _____ DOB _____
Spouse Name _____	Spouse Name _____
SS# _____ DOB _____	SS# _____ DOB _____

### AGENCY DATA

Agency Name \_\_\_\_\_ Date \_\_\_\_\_  
 Agency Code \_\_\_\_\_ - \_\_\_\_\_ Agency Phone \_\_\_\_\_ Agency Fax \_\_\_\_\_

*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.*



### EXPERIENCE DATA

## Contract Bond Application

List the three largest contracts completed in the last five years:

Owner or General	Kind of Work	Location (City/County, State)	Approximate Contract Price	Year Completed	Final Gross Profit

List the two largest jobs you presently have underway, giving the following information:

Owner or General	Kind of Work	Location (City/County, State)	Contract Price	Amount Billed	Estimated Gross Profit	Date to be Completed

### OPERATIONS DATA

Liability Insurance Company and Limits \_\_\_\_\_ Expiration Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

- Type of trades you perform: \_\_\_\_\_
- Territory in which you perform work (present and planned) \_\_\_\_\_
- Trades subcontracted: \_\_\_\_\_

### FINANCIAL DATA Please submit the following:

**Business Financial Information for (C) Corporations, (S) Corporations, and LLCs:** Provide the company's latest CPA prepared fiscal year-end financial statement. If a CPA prepared financial statement is unavailable, provide the company's in-house prepared fiscal year-end financial statements along with the company's most recent tax return.

**Business Financial Information for Sole Proprietorships and Partnerships:** Provide the company's latest CPA prepared fiscal year-end financial statement. If a CPA prepared financial statement is unavailable, provide the company's in-house prepared fiscal year-end business financial statement and a copy of Schedule C from the owners' most recent personal tax returns.

**Personal Financial Statements** Provide a copy of each owner's personal financial statement. Include supporting bank and marketable securities statements for verification purposes.

### GENERAL DATA

#### Disputes, Financial Difficulties, Problems, Etc.

	Company	Any officer, owner or partner
a. Failed in business or declared bankruptcy? .....	Yes ____ No ____	Yes ____ No ____
b. Failed to complete a job or been assessed with delay damages?...	Yes ____ No ____	Yes ____ No ____
c. Been in claim with a Surety or denied bonding? .....	Yes ____ No ____	Yes ____ No ____
d. Been involved in any lawsuits or disputes in the last 5 years? .....	Yes ____ No ____	Yes ____ No ____
e. Do you have any corporate or personal assets held in trust or escrow accounts? .....	Yes ____ No ____	Yes ____ No ____
f. Are any business or personal assets restricted or pledged for any purpose (i.e. collateral for a loan, etc.)? .....	Yes ____ No ____	Yes ____ No ____
g. Were you bonded in the past - By whom? .....	Yes ____ No ____	Yes ____ No ____

Explain all "yes" answers fully below or attach explanation

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### DEFINITIONS

Accrual Accounting — Recognizing revenues and expenditures as they occur, rather than when actual payment is received or made (as in the cash accounting method).

Aggregate Line — Total contract amounts left to bill for performance bonds and estimated contract amount for open bids.

Bid Results — Bid tabulations of all bidders for the particular project.

Completion — Surety guarantees to the lender that if the principal fails to perform, the surety will complete the project according to the plan and given time limit.

Labor and Material Payment Bond — A bond given by a contractor to guarantee payment to certain laborers and suppliers for the labor and material used in the work performed under the contract. This liability may be contained in the performance bond, in which case a separate Payment Bond is not given.

Performance Bond — A bond which guarantees performance of the terms of a written contract. Performance bonds usually incorporate payment bond and maintenance bond liability.

Site Improvement — Guarantees the completion of improvements in the future and/or specified time as required by the obligee/ordinance. The bond may be required as a condition of occupancy.

Subdivision — A parcel of land divided into blocks, lots, or plats for immediate or future use or sale or for building developments.

**GENERAL INDEMNITY AGREEMENT**

**THIS AGREEMENT** is made by the undersigned Principal(s) (signing below as the "Company") and Indemnitor(s), all of which are individually and collectively referred to as "Undersigned," for the continuing benefit of Surety in connection with any Bond executed on behalf of any Indemnitor or any Principal. The undersigned hereby certify the truth of all statements in the application, authorize the Surety to verify this information and to obtain additional information from any source, including obtaining a credit report 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 Surety in its reasonable discretion.

**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 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 person(s) and entity(ies), 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 Western Surety Company, Universal Surety of America, 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.** The Undersigned:

- A. Agrees to defend, indemnify, and save harmless Surety from and against any and all demands, liabilities, costs, penalties, obligations, interest, damages and expenses of whatever nature of kind, including but not limited to attorneys' fees (including those of both outside and in-house attorneys) and costs and fees incurred in investigation of claims or potential claims, adjustment of claims, procuring or attempting to procure the discharge of Bond, or attempting to recover losses or expenses from the Undersigned or third parties, whether Surety shall have paid out any such sums; and
- B. Agrees to pay Surety all premiums on Bonds issued by Surety on behalf of any 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
- C. Agrees that in furtherance of such indemnity:
  - i) In any claim or suit arising out of or related to either or both any Bond and this Agreement, 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 Undersigned's liability under this Agreement.
  - ii) Surety shall have the right to defense and indemnity regardless of whether Surety has made any payment under any Bond.
  - iii) In any suit between any Undersigned or 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 either or both defending or prosecuting such suit.

**GENERAL PROVISIONS.** The Undersigned further agrees as follows:

- A) If a claim or demand for performance of any obligation under any Bond is made against Surety, Undersigned, upon Surety's demand, shall immediately deposit with Surety United States legal currency, as collateral security, in an amount equal to the reserves posted by 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. Undersigned acknowledges and agrees that Surety shall be entitled to specific performance of this paragraph.
- B) Undersigned'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 Undersigned shall not release any other Undersigned. No action or inaction of Surety with respect to anyone other than Undersigned shall relieve the Undersigned of any obligation owned under this Agreement. Undersigned shall not be released from liability under this Agreement because of the status, condition, or situation of any party to this Agreement or any Principal.
- C) If the execution of this Agreement by any Undersigned is defective or invalid for any reason, such defect or invalidity shall not affect the validity hereof as to any other Undersigned. Should any provision of this Agreement be held invalid, the remaining provisions shall retain their full force and effect.
- D) Undersigned 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. Undersigned understands and agrees that this Agreement is a continuing agreement to indemnify over an indefinite period.
- E) Undersigned has the right to 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. Absent Surety's intentional wrongdoing, Undersigned 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 Undersigned, or any person or entity, as a result of such declination.
- H) Undersigned may terminate liability to Surety under this Agreement ONLY by sending written notice by registered mail of intent to terminate to Surety, in care of Western Surety Company, P.O. Box 5077, Sioux Falls, South Dakota 57117-5077. Termination will be effective twenty days after actual receipt of such notice by Surety, only for Bonds signed or committed to by Surety after the effective date.
- I) Undersigned understands and agrees that other than for the entity issuing a Bond, no other entity included within definition of the "Surety" in this Agreement assumes any obligation whatsoever with respect to either this Agreement or such Bond.
- J) A facsimile of this Agreement shall be considered an original and shall be admissible in a court of law to the same extent as an original copy.

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

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

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

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

**Indemnitors:**

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

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

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

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

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

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

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

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