

# BOND APPLICATION



## Bonding Services

### Bonding Introduction – What we require to provide terms...

It is important to understand that provision of bonds is based on the financial strength and performance of the applicant Company. Insurers are increasingly demanding up to date financials to access the applicants Bond worthiness.

### Worthiness.

In order to consider terms the bonding insurers (Surety) require the following documentation:

- a. **Pages 3-7.** General Company Information Form.
- b. **Pages 8-12.** Bond Application Form (For Performance Bonds)  
or Road/Sewer/Water Bond Application form (For Road Bonds)
- c. **Pages 13-14.** Banking Information form. (To be completed by your Bankers)
- d. **Pages 15-16.** Directors Personal Statement. (Only required if accounts show poor performance)  
**In Addition we require:**
- e. Bond Wording. (Supplied by those requesting the Bond)
- f. Two years Audited Accounts + those of any associated/parent companies
- g. Internal management accounts. (If accounts are more than two months out of date)

### Financials

In the current economic climate those whose accounts are not audited and more than two months out of date are unlikely to be considered unless accompanied by internal management accounts showing current trading.

Any company application whose accounts show week performance can be boosted by a Directors Personal Statement of Assets/Liabilities form being submitted for each principal/partner/director of the company.

### Important – Processing and Time Frame

Any incomplete information will delay your application. Present your application in one email (PDF) or post if preferred. Do not leave applications to the last minute as they require a minimum of two weeks to obtain a full insurer market response. Applications are processed by insurers on a first come first serve basis.

Return all to : [coverbiz@wallace-group.co.uk](mailto:coverbiz@wallace-group.co.uk)



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CoverBiz is Trading Title of Wallace Insurance Brokers, Whitehall Chambers,  
43 New Row, Coleraine, Co Londonderry. BT52 1AE.  
Tel: ROI(044) UK(028) 70325999 Fax: ROI(044) UK(028) 70343641  
Email/s: [coverbiz@wallace-group.co.uk](mailto:coverbiz@wallace-group.co.uk) or [claims@wallace-group.co.uk](mailto:claims@wallace-group.co.uk) or [complaints@wallace-group.co.uk](mailto:complaints@wallace-group.co.uk)  
Internet Site/s: [www.wallace-group.co.uk](http://www.wallace-group.co.uk) or [www.coverbiz.co.uk](http://www.coverbiz.co.uk) or [www.quotebiz.co.uk](http://www.quotebiz.co.uk)  
**REGISTERED MEMBERS OF THE BRITISH INSURANCE BROKERS ASSOCIATION (REF: 4616)**  
**AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY (REF: 306792)**





## WHAT ARE CONTRACT BONDS?

### CONTRACT BONDS

Bonds (or guarantees) are written legally binding documents issued to an employer guaranteeing compliance by a contractor with his obligations. A bond also ensures that the employer or local authority will be indemnified up to a specified amount if the contractor fails to fulfill his obligations under the contract. There are a number of different types of bonds. Those most commonly used are Contract Performance Bonds and Contract Development (Roads and Services) Bonds.

### PERFORMANCE BONDS

Contract Performance bonds provided to main contractors indemnify the employer in respect of building and civil engineering contracts up to 10% or 25% of the contract value. The bond provides security to the employer should the original contractor fail to complete the project. The bond will cover any extras in having to appoint a replacement contractor. A bond can also be put in place by a subcontractor to indemnify the main contractor or the employer.

The Bond Wording is the actual document (Normally part of the Contract Documentation) which the insurer (Surety) is asked to sign and seal. This document is the Bond held by the employer until released. Contractors should be cautious in that, increasingly, employers are incorporating what's called "On Demand" bond wordings which means the bond value can be called upon, by the employer, without any proof of legal liability or fault of the contractor. "On Demand" bond wordings are generally unacceptable to Bonding insurers. Normal bond wordings are based on ABI (Association Of British Insurers) agreed wordings normally released at practical completion. Call on such a bond would require correct determination of any fault of the contractor's performance/contractual obligations.

### DEVELOPMENT BONDS (Road & Sewer Bonds)

Contract Development bonds are available to developers involved in private housing developments to satisfy the requirements of Local Authorities. The bond provides security to the Local Authority to ensure proper completion of sewers, roadways, public lighting and open spaces etc. Development Bonds are also referred to as Road Bonds. The Bond wording is provided by the Local Authority which normally incorporates a map of the section of the development to be Bonded.



## GENERAL COMPANY INFORMATION

### 1. Full Name of Applicant

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Postal Address

Postcode	

Registered Address

Postcode	

Position	
Contact	
Telephone	
Mobile	
Fax	
Email	
Web Site	
Incorporated	Date:        /        /
Reg Number	

### 2. Business (attach any promotional brochures/literature)

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(Attach any promotional brochures/literature)

### 3. Directors / Partners

Name	Address	Qualifications	Age	% holding

Please detail any changes in the past year

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**4. Principal Shareholders not being Directors (i.e 5% or more holdings)**

Name	Address	% holding

Please detail any changes in the past year

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**5. Bankers**

	(1)	(2)	(3)
Name			
Address			
Postcode			
Contact			
Present Facility Limit			
Overdraft			
Term Loan			
Guarantees			
Current Balances			
How secured			

*Please enclose copies of facility letters as applicable*

## 6. Example Projects

(Please give three recently undertaken contracts which demonstrate the experience of your company)

A	Employer	Start Date	End Date
	Description of the works	Location	Contract Value

B	Employer	Start Date	End Date
	Description of the works	Location	Contract Value

C	Employer	Start Date	End Date
	Description of the works	Location	Contract Value

## 7. Insurances

Cover Type	Indemnity	Insurer (Not broker)	Policy Number	Renewal Date
Employers Liability				

Public/Products Liability				
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Contract Works				
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Your Insurance Broker	Full Address	Telephone	Contact details
		Email	
		Executive	

## 8. Accounts

Your Accountant	Full Address		Contact details
		Telephone	
		Email	
		Executive	

Please enclose the last two years audited accounts of your firm and any ultimate holding company and/or connected forms owned by the same shareholders. If these are more than two months out of date we will also require up-to-date internal management accounts showing current trading.

Financial year end

Has this changed in the last five year? Yes  No

If Yes explain why:

## 9. Associated Companies

Please list any associated or parent companies associated to the applicant firm. (We will require up-to-date audited accounts of these associated companies..)

Company Name	Company House Ref	Year End

## 10. Previous/Current Bonding

(Give details of previous/current bonds arrangements in the last three years)

Insurer Surety	Contract	Period	Original Bond Value	Current Value (If not released)

## 11. General

- (a) Has the firm ever had its accounts qualified by its auditors? Yes  No
- (b) Is engaged or involved in any situation which is likely to result in its insolvency or which may cause it to request any postponement of obligations to any party? Yes  No
- (c) Has made known or whether you are aware of any plans for any change of the present ownership of the Company or any alteration in its business or the disposal of any of its fixed assets? Yes  No
- (d) Ever failed to complete a contract? Yes  No
- (e) Ever had a judgment debt registered? Yes  No
- (f) Ever been bankrupt or in receivership or in liquidation or in administration? Yes  No
- (g) Are there any unresolved or pending legal actions or other disputes in existence? Yes  No
- (h) Have any trade accounts been closed for non-compliance with terms? Yes  No
- (i) Are there any arrears of more than three months in payment of PAYE / NIC / deductions in payments to Sub Contractors? Yes  No
- (j) Has any Insurance Company or Bank declined to act as Surety on your behalf? Yes  No

If Yes give full details (Provide supporting documentation as applicable)

## 12. Declaration

I declare that the above statements and particulars are true and that to the best of my knowledge I have not withheld any information which could materially affect this application. This together with normal credit/financial checks will form the basis of your application. I authorise the Insurers and/or Wallace Insurance Brokers to contact any source to obtain relevant to this application. I understand that Insurers and/or Wallace Insurance Brokers reserve the right to decline this application without giving a reason.

Signature \_\_\_\_\_

Position \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_\_



## BOND APPLICATION

*(Go to Page 11 for Road/Sewer/Water Bonds)*

### 1. Bond Type

- Performance Bond     
  Advance Payment Bond     
  Retention Bond     
  Bid Bond

### 2. Contractor (The applicant)

Contractor

Contractors Address

Postcode

Contractor Ref Number

Telephone

### 3. Bond Beneficiary

Beneficiary

Beneficiary Address

Postcode

Beneficiary Ref Number

Telephone

### 4. Your appointment

- Main Contractor     
  Management Contractor     
  Nominated Sub Contractor  
 Domestic Sub Contractor     
  Works Contractor     
  Supplier

### 5. The Works

Who is the Employer (Full Name & Address) (If different from 3) above

Postcode

Location of the works (Full Address)

Postcode

Description of the works



## 6. The Bond Requirement

### (A) MAIN CONTRACT (Only complete if you are Main Contractor)

Contract Price	£	Bond Amount	£
Commencement date	/ /	Completion date	/ /
Contract Period		Defects Liability Period	

### (B) SUB CONTRACT (Only complete if you are Sub Contracted for part of the overall works)

Sub Contract Price	£	Bond Amount	£
Commencement date	/ /	Completion date	/ /
Contract Period		Defects Liability Period	

## 7. Bond Wording

Have you been provided with a Bond Document/Wording Yes  No  If Yes [attach a copy for approval.](#)  
**IMPORTANT: If NO a Standard ABI Association of British Insurers wording will be used and a copy supplied at quotation stage.**  
**The Bond Wording must be pre-approved by the Insurer and Employer. You must check which is to be used**

## 8. The Contract

State form of contract / edition to be entered into and detail any alterations / deletions to the standard form

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If above refers to any form of sub contract / works contract state form of contract / edition to be entered into by main contractor / managing contractor and the employer

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Liquidated damages for non-completion	
Percentage of retentions	

## 9. Bond Release

When will the Bond be released?

Practical Completion of Main Contract	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Practical Completion of Sub Contract / Work Contract	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Making Good Defects of Main Contract	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Making Good Defects of Sub Contract / Works Contract	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Other ( )	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

**10. Architect**

Architect

Architect Address

Postcode

Architect Ref Number

Contact

Telephone

Email

**11. Other Contact** (If applicable)

Acting As



Address

Postcode

Ref Number

Contact

Telephone

Email

**11. Other**

Please give any additional supporting comments in relation to this application. (E.g Development Brochure)

**12. Has a proposal been made to any other surety for this bond?**

If Yes please give name and result:

**13. Declaration**

I declare that the above statements and particulars are true and that to the best of my knowledge I have not withheld any information which could materially affect this application. This together with normal credit/financial checks will form the basis of your application. I authorise the Insurers and/or Wallace Insurance Brokers to contact any source to obtain relevant to this application. I understand that Insurers and/or Wallace Insurance Brokers reserve the right to decline this application without giving a reason.

Signature \_\_\_\_\_

Position \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_\_



## ROAD / SEWER /WATER (Or Similar) BOND APPLICATION

### 1. Contractor

Contractor

Contractors Address

Postcode

Contractor Ref Number

### 2. Authority

Authority Requesting Bond

Authority Address

Postcode

Authority Ref Number

### 3. What is the description and location of the development

Is the development to be phased? Yes  No  If Yes state the number of phases

### 4. Type of Bond and Value:

Section 38

£

Section 104

£

Other (

Water Article 161

£

)

£

### 5. Bond Wording

***Your must enclose a copy of the Bond Document / Wording provided by the Authority  
This will normally also contain a map of the development area to be Bonded***

### 6. Estimated cost of road / sewer work

Value of Works Un-completed:

£

Value of Works completed to date:

£

## 7. The Development

Commencement date Completion date 

A	Approximate value of street works which will be completed before building work is commenced	£
B	Approximate value of street works completed at the date of proposal	£
C	Total number of dwellings / plots to be erected for the whole development	£
D	Total number of dwellings / plots to be erected this phase	£
E	Number of dwellings / plots already sold	
F	Number of dwellings built or in course of erection	
G	Average selling price per dwelling	£
H	Range of prices per dwelling	£
I	Agreed price of any work being sub-let	£
J	Name and address of Sub Contractors	

## 8. Finance (Explain how the development is to be financed)

## 9. The Land

Who owns the land being developed: Is the land subject to any charge: 

## 10. Has a proposal been made to any other surety for this bond?

If Yes please give name and result: 

## 11. Declaration

I declare that the above statements and particulars are true and that to the best of my knowledge I have not withheld any information which could materially affect this application. This together with normal credit/financial checks will form the basis of your application. I authorise the Insurers and/or Wallace Insurance Brokers to contact any source to obtain relevant to this application. I understand that Insurers and/or Wallace Insurance Brokers reserve the right to decline this application without giving a reason.

Signature \_\_\_\_\_

Position \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_\_



## **BANKING INFORMATION FORM**

**This form must be completed by your Bankers**

### 1. Contractor & Bankers

#### (a) Contractor

Contractors Address	
Postcode	

#### (b) Bankers

Branch Address	
Postcode	

### 2. What is the present balance of the following account(s)

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Current Account(s)</td> <td style="width: 50px; text-align: right;">£</td> <td style="width: 100px;"></td> </tr> <tr> <td style="padding: 2px;">Term Loan Account(s)</td> <td style="text-align: right;">£</td> <td></td> </tr> <tr> <td style="padding: 2px;">Other (                    )</td> <td style="text-align: right;">£</td> <td></td> </tr> </table>	Current Account(s)	£		Term Loan Account(s)	£		Other (                    )	£		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Deposit Account(s)</td> <td style="width: 50px; text-align: right;">£</td> <td style="width: 100px;"></td> </tr> <tr> <td style="padding: 2px;">Un-discharged Bond(s)</td> <td style="text-align: right;">£</td> <td></td> </tr> <tr> <td style="padding: 2px;">Other (                    )</td> <td style="text-align: right;">£</td> <td></td> </tr> </table>	Deposit Account(s)	£		Un-discharged Bond(s)	£		Other (                    )	£	
Current Account(s)	£																		
Term Loan Account(s)	£																		
Other (                    )	£																		
Deposit Account(s)	£																		
Un-discharged Bond(s)	£																		
Other (                    )	£																		

### 3. What are the authorised limits in respect of:

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Overdraft</td> <td style="width: 50px; text-align: right;">£</td> <td style="width: 100px;"></td> </tr> <tr> <td style="padding: 2px;">Bonds</td> <td style="text-align: right;">£</td> <td></td> </tr> </table>	Overdraft	£		Bonds	£		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Loan Account</td> <td style="width: 50px; text-align: right;">£</td> <td style="width: 100px;"></td> </tr> <tr> <td style="padding: 2px;">Other (                    )</td> <td style="text-align: right;">£</td> <td></td> </tr> </table>	Loan Account	£		Other (                    )	£	
Overdraft	£												
Bonds	£												
Loan Account	£												
Other (                    )	£												
Next Review Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; text-align: center;">/</td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; text-align: center;">/</td> <td style="width: 20px; height: 20px;"></td> </tr> </table>		/		/		Has the Bank granted all facilities applied for in the last three years: <table style="float: right; margin-top: 10px;"> <tr> <td style="border: none;">YES   NO</td> </tr> </table>	YES   NO					
	/		/										
YES   NO													

### 4. Please detail any security held (Against facilities listed in section 3. Above)

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### 5. What was the turnover: (i.e. Total Bank Lodgments)

Last calendar year: £	Current year to date: £
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### 6. Total interest payable / receivable

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Last calendar year: (Debit)</td> <td style="width: 50px; text-align: right;">£</td> <td style="width: 100px;"></td> </tr> <tr> <td style="padding: 2px;">Current Year to date: (Debit)</td> <td style="text-align: right;">£</td> <td></td> </tr> </table>	Last calendar year: (Debit)	£		Current Year to date: (Debit)	£		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">(Credit)</td> <td style="width: 50px; text-align: right;">£</td> <td style="width: 100px;"></td> </tr> <tr> <td style="padding: 2px;">(Credit)</td> <td style="text-align: right;">£</td> <td></td> </tr> </table>	(Credit)	£		(Credit)	£		
Last calendar year: (Debit)	£													
Current Year to date: (Debit)	£													
(Credit)	£													
(Credit)	£													

## 7. Balances

Please indicate clearly whether the maximum monthly balances are debit or credit for the last twelve months. Where the contractor operates more than one account please append separate details on each account. (**Note: month 1 is the most recent month**)

Period From  To

Month	Maximum	Minimum	Bank Ref
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			

## 8. Other

Please give any additional supporting comments in relation to the Banks relationship with the Contractor:

## 9. Declaration

I/We hereby authorise the Bank to complete this form giving details of our banking arrangements, facilities and balances and request that the completed form be forwarded, by return to :

**Wallace Insurance Brokers, Whitehall Chambers, 43 New Row. Coleraine. Co Londonderry. BT52 1AE.**

Contractors Authorised Signature

**Bankers Authorised Signature**

Date

Date

**This form must be completed by your Bankers**

*[Please apply Bankers Stamp here]*



### DIRECTORS PERSONAL STATEMENT

**This document is only required if company accounts show poor performance**

The attached form must be completed by your accountant (One for each director)

(Please insert gross values i.e. not net of borrowings)

FULL NAME		
ADDRESS		
	POSTCODE	

LIABILITIES	£	ASSETS	COST £	VALUE £
Mortgages(s):		[1] Property		
Loans(s) :		(a) House:		
HP:		(b) Land:		
Credit Finance:		(c) Other:		
Taxation:		[2] Motor Vehicles:		
Overdrafts(s):		[3] Investments		
		(a) Quoted:		
		(b) unquoted:		
		(c) Other:		
		(e.g Life Policies)		
		[4] Savings		
		(a) Cash:		
		(b) Deposit:		
		(c) Other:		

Please state

- (1) Annual Income (a) Earned  
(b) Unearned

£  
£

- (2) Contingent Liabilities

- (a) Value of Personal Guarantee outstanding  
(b) Other

£  
£

Continued

Please list below Assets and Liabilities which are outside United Kingdom

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### **Directors Declaration**

I/We certify that this statement gives a true and fair view of my/our state of affairs as at date of signing.

Directors Signature \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

### **Auditors Certificate**

In our opinion this financial statement gives a true and fair view of the approximate state of affairs of the above named.

Auditors Signature \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

*(To be signed by Chartered/Certified Accountant)*

AUDITORS NAME

ADDRESS


POSTCODE

--

Accountants Email  
& Qualifications


**Return this completed form to:**