

# LUCIEN WRIGHT AGENCY

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<p style="text-align: center;"><b>CONTRACT UNDERWRITING CHECKLIST</b> <b>PAYMENT &amp; PERFORMANCE BONDS</b></p>
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1. **COMPANY FINANCIAL STATEMENTS** - Financial statements can be a CPA prepared Compiled statement. However, in most cases, a CPA Reviewed Statement will be required before a Company will issue new or subsequent Bonds. These are required at fiscal year end and at six month interim. If available, please provide last three fiscal year end statements.
2. **PERSONAL FINANCIAL STATEMENTS** - Presented on each individual with 5% or more ownership in the company. Statements should be dated concurrent with the company fiscal year end and do not have to be CPA prepared.

*Submit the above items for review. If it is determined that your company is bondable, the following additional information will be needed to submit to the bonding company.*

1. **CONTRACTORS QUESTIONNAIRE.**
2. **WORK IN PROGRESS SCHEDULE** (Requested Quarterly).
3. **BANK REFERENCE LETTER** - This letter should state when the account was opened, if a bank line of credit exist, the availability of the line, and bank debt, etc.
4. **RESUMES** - Please provide resumes on all owners and key personnel.

**AFTER THE ABOVE INFORMATION IS SUBMITTED TO THE BONDING COMPANY, IT WILL TAKE APPROXIMATELY ONE WEEK TO TEN DAYS TO COMPLETE THEIR REVIEW. (IN SOME CASES THIS TIME FRAME MAY BE REDUCED).**

## CONTRACTOR'S INFORMATION FORM

Date Completed \_\_\_\_\_ Agency: **Lucien Wright Agency**

Name of firm \_\_\_\_\_  Corporation  
 Address \_\_\_\_\_  Subchapter "S"  
 \_\_\_\_\_  Partnership  
 Telephone \_\_\_\_\_ FAX \_\_\_\_\_  Proprietorship  
 Fiscal Year End \_\_\_\_\_ Email \_\_\_\_\_  Limited Liability Corp.

**OWNERSHIP**

Name (Spouse)	Title	% Owned	Age	Home Address	Social Security #

Indemnity Available: Corporate \_\_\_\_\_ Personal \_\_\_\_\_ Cross \_\_\_\_\_  
 Date Business Established \_\_\_\_\_ Date of Incorporation (if applicable) \_\_\_\_\_  
 If previously under another name, give names and dates of changes \_\_\_\_\_

In what type(s) of construction do you specialize? \_\_\_\_\_

What other types of work are at times performed? \_\_\_\_\_

Geographic territory of operation \_\_\_\_\_

Percentage of work obtained: as: General Contractor \_\_\_\_\_ % Subcontractor \_\_\_\_\_ %  
 by: Public Bid \_\_\_\_\_ % Private Bid \_\_\_\_\_ %

Percentage of work subcontracted to others \_\_\_\_\_ % Trades subcontracted to others \_\_\_\_\_

Do you require subcontractors to provide bonds?  Yes  No If yes, when? \_\_\_\_\_

Do you undertake design/build contracts?  Yes  No If yes, do you have design liability insurance (**attach copy**)? \_\_\_\_\_

In addition to contracting, what other business activities are you now engaged or plan to engage in the future?  
 \_\_\_\_\_

List any affiliate and/or subsidiary companies: \_\_\_\_\_

Give a list of the largest jobs completed in the last 5 years: (may attach separate sheet)

Contract Amount	Date Completed	Owner/Location	Job Description	Architect/Engineer	Amount Profit/Loss

List total sales each of the past 3 years (most recent first) \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

What is your average job size? \$ \_\_\_\_\_

What size contracts is your organization best qualified to handle? \$ \_\_\_\_\_

Greatest amount of work on hand at any one time \$ \_\_\_\_\_ When \_\_\_\_\_

What is largest job bid? \$ \_\_\_\_\_ Negotiated \$ \_\_\_\_\_ Time & Material \_\_\_\_\_

How many projects can you handle at any one time? \_\_\_\_\_ How many construction crews do you have? \_\_\_\_\_

Is present equipment adequate for the work program planned?  Yes  No

List %: Owned \_\_\_\_\_ Leased \_\_\_\_\_ Rented \_\_\_\_\_

Are all projects under contract on schedule?  Yes  No If no, explain: \_\_\_\_\_

Have you ever failed to complete a contract?  Yes  No If yes, detail: \_\_\_\_\_

Give a list of uncompleted contracts now on hand (**Attach Status of Contracts Form 7503**)

What surety companies have furnished bonds for you in the past? \_\_\_\_\_

Reason for leaving: \_\_\_\_\_

Has the firm or any officer/owner or any firm which an officer or owner has been associated with ever:

Defaulted on a contract?  Yes  No

Caused a surety to pay on a surety bond?  Yes  No

Ever been convicted of a felony?  Yes  No

Filed bankruptcy under Federal Bankruptcy Chapter 11 or 13?  Yes  No

**If "Yes" to any of above, please submit explanation.**

Are you, any officers, stockholders, key members, or any related companies involved in any litigation, disputes, or any judgements pending or rendered?  Yes  No If yes, please explain: \_\_\_\_\_

#### ORGANIZATION/PERSONNEL

Key Employees (**Attach Resumes**)

Name	Position	Age	Years of Construction Experience	
			This Firm	Other Firms

Buy/Sell Agreement in effect?  Yes  No Continuity Agreement  Yes  No **If yes, please attach copy.**

Name/Position of employee(s) involved:

1. \_\_\_\_\_ 3. \_\_\_\_\_

2. \_\_\_\_\_ 4. \_\_\_\_\_

Effective date: \_\_\_\_\_ Last review date: \_\_\_\_\_

How funded? \_\_\_\_\_

Is Life Insurance in force?  Yes  No

On Whom	Face Amount	Cash Value	Insurance Company	Beneficiary

Business Insurance (**attach copy of insurance certificates**)

Limits	Coverage	Company

**CREDIT INFORMATION**

List your major material and equipment suppliers:

Firm	Complete Address	Telephone	Contact Person

Within what time period do you pay your bills?

Take discounts \_\_\_\_\_ Within 30 days \_\_\_\_\_ Within 60 days \_\_\_\_\_ Other \_\_\_\_\_

With whom have you established borrowing lines of credit? How is it secured? \_\_\_\_\_

Bank Name	Address	Telephone	Name of Officer	Amount Credit

Describe any contingent liability which the firm, owners or officers have pending: \_\_\_\_\_

Are any owners/officers personal indemnitors for any other organization, firm or person?  Yes  No. If yes, explain: \_\_\_\_\_

**FINANCIAL DATA/ACCOUNTING**

Fiscal Year End \_\_\_\_\_ Date of last financial statement \_\_\_\_\_

Type of statement: Full Audit  Review  Compilation

Method of Accounting:

Financial Reporting:

Tax Reporting:

\_\_\_\_\_ % of completion \_\_\_\_\_ accrual \_\_\_\_\_ % of completion \_\_\_\_\_ accrual  
 \_\_\_\_\_ completed contract \_\_\_\_\_ cash \_\_\_\_\_ completed contract \_\_\_\_\_ cash

Interim statements available:  Yes  No. How often? \_\_\_\_\_

Does the firm use:  CPA  PA  Bookkeeper

Name of Firm	Address	Telephone	Accountant's Name

Other Comments:

Completed by \_\_\_\_\_ Date \_\_\_\_\_

## SUPPLEMENTAL INFORMATION

### INTERNAL CONTROLS

Is management furnished periodic reports of work completed?  Yes  No How often? \_\_\_\_\_

Does management visit all job sites routinely to verify reported progress?  Yes  No How often? \_\_\_\_\_

Are reports prepared comparing actual with budgeted costs?  Yes  No \_\_\_\_\_

Estimates are prepared by: \_\_\_\_\_

What profit margin is built into a bid? \_\_\_\_\_

What percentage for overhead is included in bid? \_\_\_\_\_

Are progress billings prepared promptly on completion of a job segment?  Yes  No

Is there timely follow-up of collections on billings?  Yes  No

Is a periodic estimate made of additional costs to complete a project using actual costs to date vs. estimated cost?

Yes  No

Who makes this review? \_\_\_\_\_ How often? \_\_\_\_\_

Are there formal procedures for processing and approving contract change orders?  Yes  No

By management?  Job Superintendent?

Are changes made by the owner implemented only after written authorization?  Yes  No

Who approves changes? \_\_\_\_\_

Do you use financially stable and quality subcontractors?  Yes  No

Are performance bonds required of subcontractors?  Yes  No Over what dollar amount? \_\_\_\_\_

Are subcontractor change orders approved by management prior to release?  Yes  No

Are acceptance of change orders by subcontractors documented?  Yes  No

Do purchase orders specify delivery dates?  Yes  No

Are supplier's acceptance of purchase terms documented?  Yes  No

Are invoices matched with purchase orders?  Yes  No

Are they approved by foreman prior to payment?  Yes  No

When unsatisfactory materials are provided, do you negotiate for immediate allowance?  Yes  No

### Other Comments