

First Step

Please follow these instructions for Single Bonds or Aggregate Programs up to \$350,000.

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. This list is subject to change and may not be all-inclusive.

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

Submissions should include:

- 1.) Application – Complete First Step Application
For Single/Bonds or Bonded Aggregate Programs up to \$350,000 use the First Step Application
- 2.) Bid Bond – Furnish a copy of the bid invitation/specifications and any required bond forms
- 3.) Performance & Payment Bond – Include copies of the bid results, contract agreement, and any required bond forms
- 4.) Indemnity Agreement – Will be provided and needs to be completed and signed by all owners and spouses before bonds are issued
- 5.) Good Recommendation by the Producer

Please contact your underwriter to discuss any concerns or details. Please submit First Step Applications and related documentation to RLI/CBIC Surety at contractbonds@rlicorp.com or fax to 309-683-1646.

For accounts needing single and bonded aggregate programs up to \$1,000,000 please ask your Underwriter about our Next Step contract bond program. We strive to achieve a seamless graduation process for accounts growing out of First Step and into our Next Step program.

First Step Application

Small Contract Bond Program

For Single or Bonded Aggregate Programs up to \$350,000

CONTRACTOR INFORMATION		Business (Legal) Name		☐ Individual ☐ Corporation ☐ LLC ☐ Partnership ☐ S Corporation ☐ LLP	
Business Address			City		State Zip
Phone	Website		Type of Work	Date Business Formed	Business Net Worth
Prior Year Annual Sales	Current Work on Hand	Largest Completed Commercial Job Amount	Description of Largest Completed Contract/Year Completed		
Has Applicant Been in Claim and/or Denied Bonding By Another Surety? ☐ Yes ☐ No			Any Bids or Unfinished Bonded Contracts w/Other Sureties? ☐ Yes ☐ No		
Has Applicant Failed in Business or Been in Bankruptcy? ☐ Yes ☐ No (If yes, please explain)			Been involved in any litigation or had any liens or judgements? ☐ Yes ☐ No		
PERSONAL INFORMATION		Indemnitor Name & Corporate Title		Social Security No.	Date of Birth Home Phone
Indemnitor Address/City/State/Zip		☐ Own ☐ Rent	Indemnitor's Net Worth		% Business Ownership
Spouse's Name (check here ☐ if not married)			Social Security No.	Date of Birth	% Business Ownership
PERSONAL INFORMATION		Indemnitor Name & Corporate Title		Social Security No.	Date of Birth Home Phone
Indemnitor Address/City/State/Zip		☐ Own ☐ Rent	Indemnitor's Net Worth		% Business Ownership
Spouse's Name (check here ☐ if not married)			Social Security No.	Date of Birth	% Business Ownership
RLI Surety may obtain a credit report about the Applicant including its Owner(s) and Owner(s) spouses in order to confirm the information provided in this application and obtain information about Applicant's credit history. For new applicants a General Indemnity Agreement will need to be completed before surety credit is provided.					
JOB/PROJECT INFORMATION		Bond Type (Bid, Final)	Bid/Contract Amount	Bid Date	Bid Bond Percentage Start Date & Completion Date
Maintenance Period		Liquidated Damages	Percent Subcontracted	Performance Bond Amount	Payment Bond Amount
Project Description (attach copy of bid invitation/specifications or contract)					
Obligee/Owner			Contact Person	If Private Owner, Financing by	
Obligee Address/City/State/Zip			Project Location	Contact Phone/Email	
If this is a final bond request, list the top three bidders and their amounts 1. _____ 2. _____ 3. _____					
BOND FORM		☐ RLI ☐ Obligee (send copy) ☐ AIA ☐ State (send copy) ☐ Federal Name of Licensed Producer for the Power of Attorney: _____ Contract #: _____ State of Incorporation: _____			
PRODUCER INFORMATION		Agency Name		Agency Code	Phone Fax
Agency Address/City/State/Zip		Contact Person		Email	
Contractor an Existing Client ☐ Yes ☐ No		Length of Relationship	Liability Insurance Co. & Limits		Comments/Recommendation

* For subsequent bond requests, please complete only the shaded areas

* For accounts needing single and bonded aggregate up to **\$1,000,000** please see our **Next Step** contract bond program

This application is not intended for use in connection with Design-Build Contracts, Subdivision or Site Improvements, Hazardous Material, Completion or Multi-Year Contracts, Residential, service, or software projects. This list is subject to change and may not be all-inclusive. 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.



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 **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]