



SUBCONTRACTOR DEFAULT INSURANCE

SUBCONTRACTOR DEFAULT INSURANCE RENEWAL APPLICATION

A. General Information

- 1. Insured Name: _____
- 2. Has any officer of the company declared for bankruptcy protection? Yes No. If Yes, please explain:

- 3. Has any officer been convicted of a felony or any criminal conduct? Yes No. If Yes, please explain:

B. Broker Information

- 1. Name: _____
- 2. Primary Contact: _____
Phone Number: _____ Email: _____
- 3. Other Contact(s) Name: _____
Phone Number: _____ Email: _____

C. Operations

1. Describe any changes in Operations over last 12 months: Sectors (e.g. Healthcare) / Geography (New office or project location)/ New Scope (e.g. Now self performing work):

2. Total # of Employees: _____ Home Office: _____ Field: _____

3. Annual Revenue / Subcontract Volume:

| Year | Revenue | Subcontract Volume |
|-------------------|---------|--------------------|
| Next Fiscal Year | | |
| Current Year | | |
| Prior Fiscal Year | | |

4. Fiscal Year End: _____

5. Current Backlog: _____

6. Estimated months to work through: _____

7. % of work Negotiated vs Lump sum: ___% Negotiated ___% Lump sum

8. Public vs Private: ___% Public ___% Private

9. Top 5 States You Work In:

| State | % | Is this new from prior policy? |
|-------|---|--|
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

10. Any New Geographic Markets Anticipated in next 3 Years?

| State | State | State | State |
|-------|-------|-------|-------|
| | | | |

11. Work by Market Segment:

| % of Work | Market Segment | % of Work | Market Segment |
|-----------|--------------------|-----------|----------------------------|
| | General Commercial | | Industrial |
| | Education | | Residential (For Sale) |
| | Healthcare | | Residential (Not For Sale) |
| | Hospitality | | Other: |
| | Retail | | Other: |

12. Labor Type: Union vs Non Union: ___% Union ___% Non union

13. Delivery Method: ___% GC

___% CM @ Risk

___% CM Agent

___% Design Build

___% Other _____

D. Project History

1. Describe Largest Projects being contemplated in the upcoming year:

2. 3 Largest Projects Completed in Last Year:

| Construction Volume | Year Completed | State | Market Segment |
|---------------------|----------------|-------|----------------|
| | | | |
| | | | |
| | | | |

3. # of Jobs Underway: Total Number: _____ Typical Range from (Low) _____ To (High) _____. Average: _____

4. Typical project duration (in Months): From (Short) _____ To (Long) _____. Average: _____

5. Have you ever not completed a job? Yes No

6. Had your surety complete a project? Yes No

E. Risk Management Approach

1. % of subs past 12 months: ___% Bonded ___% Enrolled in SDI

2. % of suppliers past 12 months: ___% Bonded ___% Enrolled in SDI

F. Owners

1. List the owners of the 4 largest projects contracted in the past 12 months:

G. Subcontractor / Supplier History

1. 5 Largest Subcontracts Current Year:

| Sub/Supplier | Contract Value | Project Name |
|--------------|----------------|--------------|
| | | |
| | | |
| | | |
| | | |
| | | |

2. Average Size Subcontract: _____
3. Total Estimated # of Active Subcontractors: _____
4. Total Estimated # of Active Suppliers: _____
5. Estimated annual volume: _____

H. Subcontractor Default History

1. UPDATE on Subcontractor / Supplier Defaults in Last 5 Years >\$50,000 (please provide separate attachment if required) including Bond Claims:

| Subcontractor/ Supplier | Trade | Contract Value | Loss Estimate | Reason for Default | Year Defaulted | Project Name |
|----------------------------|-------|-------------------|------------------|-----------------------|-------------------|-----------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

I. Subcontractor Prequalification

1. Describe Changes and/or Updates to your Prequalification Plan in past year (e.g. implemented 3rd party pre-qualification software):

2. Do you currently have any subcontracts on 2 party checking? Yes No. If yes, Please provide a list:

J. Subcontractor Management

1. Describe Changes and Updates to your Subcontractor Management in past year:

2. Are any materials being direct purchased on behalf of subcontractors? Yes No. If yes, please list subcontractors:

K. Quality

1. Describe Changes and Updates to your Quality plan in the past year:

N. Additional Information Required

- Sub Distribution – list of the previous 12 months of executed subcontracts (Sub Name, FEIN, Contract Value, Project Name, Start/End date)
- General Liability loss runs for previous 4 years (practice programs and CIPs)
- SDI loss runs for previous 5 years
- Named insured Listing
- Most Recent Fiscal Year Audited Financials
- Lending line – bank name and size
- Name of Surety, surety line by job and aggregate
- WIPs – Current and most recent Y/E

You represent that the statements and facts made in this application are true and that no material facts have been suppressed or misstated. It is further agreed by you that each policy or renewal thereof, if issued, is issued in reliance upon the truth of the representations and information in the application.

Signature

Date

Name

Title

Fraud Notice

Arkansas: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is

guilty of a crime and may be subject to fines and confinement in prison.

Colorado: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable for insurance proceeds shall be reported to the Colorado. Division of Insurance within the Department of Regulatory Agencies.

District of Columbia: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant

Florida: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kansas: A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

Kentucky: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

Louisiana: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Maine: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.

Maryland: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

New Jersey: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New Mexico: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

New York: General : All applications for commercial insurance, other than automobile insurance: 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 information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation. All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation. Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.

Ohio: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Pennsylvania: All Commercial Insurance, Except As Provided for Automobile Insurance: 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 information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon

conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.

Puerto Rico: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

Rhode Island: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Tennessee: All Commercial Insurance, Except As Provided for Workers' Compensation It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. Workers' Compensation: It is a crime to knowingly provide false,

incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.

Utah: Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.

Washington: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

West Virginia: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

All Other States: Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

