

# CONTRACTOR BONDING CHECKLIST

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## CONTRACTOR INFORMATION

Company Name:

Contact Name:

Phone:

Email:

State:

Fiscal Year End:

Date Prepared:

Current Bond Agent:

Current Surety:

Annual Revenue:

Program Requested:

Use this checklist to prepare your underwriting package. Check off each item as you gather it. Save this PDF to track your progress. When complete, send it along with your documents to your Grit bond advisor.

## 1. COMPANY FINANCIAL STATEMENTS

### CPA-prepared balance sheet (current year)

Must include all assets, liabilities, and equity. Sureties look at working capital, net worth, and debt levels.

### CPA-prepared income statement (current year)

Shows revenue, costs, and profitability. Consistent profitability supports higher capacity.

### CPA-prepared cash flow statement (current year)

Demonstrates actual cash movement. Sureties want to see healthy operating cash flow.

### Prior two years' financial statements

Most sureties want a three-year trend to evaluate financial trajectory.

### Correct CPA assurance level for your program size

Up to \$1M capacity: compiled may suffice. \$1M-\$5M: reviewed recommended. Above \$5M: audited preferred.

### Financials submitted within 90-120 days of fiscal year end

Do not wait for the surety to ask. Proactive submission builds trust.

## 2. PERSONAL FINANCIAL STATEMENTS

### Personal financial statement for each owner (10%+ equity)

List all assets (real estate, investments, retirement, vehicles, cash) and all liabilities (mortgages, loans, credit cards).

### Statements dated within the last 12 months

Sureties need current data. Update annually or when significant changes occur.

### Supporting documentation for major assets (if requested)

Real estate appraisals, investment account statements, retirement account balances.

## 3. WORK-IN-PROGRESS (WIP) SCHEDULE

### Every active project listed (bonded and non-bonded)

The surety wants the complete picture of your workload, not just bonded projects.

### For each project: contract amount, costs to date, billings to date

These are the core data points the underwriter evaluates for each job.

### For each project: estimated cost to complete, % complete

Must be realistic. Optimistic estimates erode credibility when actual results differ.

### For each project: projected gross profit or loss

Shows the surety whether your jobs are making money.

## **Change orders shown separately from original contract amounts**

Gives the underwriter a clear view of scope changes.

## **WIP reconciles with financial statements**

Inconsistencies between WIP and balance sheet create underwriting questions. Have your CPA review.

## **Updated within the last 90 days**

Quarterly minimum. Monthly if actively pursuing capacity increases.

## **4. COMPLETED PROJECT LIST**

### **Project name and project owner for each completed job**

Include both public and private projects.

### **Contract value and type of work performed**

Sureties match your experience to the projects you want to bond.

### **Completion date**

Shows the recency and consistency of your track record.

### **Include both bonded and non-bonded projects**

A comprehensive list demonstrates your full range of experience.

## **5. BANKING INFORMATION**

### **Bank reference letter**

Include: relationship length, average balances, credit facility details, account standing characterization.

### **Line of credit details (limit, balance, terms, maturity date)**

Available credit supports bonding capacity. Low utilization is favorable.

### **Any letters of credit currently outstanding**

If applicable, include the LOC amount, beneficiary, and terms.

## **6. COMPANY AND ORGANIZATIONAL DOCUMENTS**

### **Articles of incorporation or organization**

Establishes your legal entity type and formation.

### **Operating agreement or bylaws**

Defines ownership structure and decision-making authority.

### **List of all owners with ownership percentages**

The surety needs to know who controls the company.

### **Current business licenses**

State and local licenses relevant to your operations.

### **Documentation of any ownership changes (if applicable)**

Mergers, buyouts, new partners, departures. Sureties pay close attention to ownership transitions.

### **Buy-sell agreement (if you have partners)**

Required for perpetuation planning. Should be funded, typically through life insurance.

### **Perpetuation plan or succession documentation**

Demonstrates how bonded projects would be completed if key leadership is unavailable.

### **Key person life insurance documentation**

Policy owned by the company. Benefit amount should cover transition and project completion costs.

## **7. COMPANY RESUME AND KEY PERSONNEL**

### **Company overview (history, services, geographic reach)**

A brief summary of who you are and what you do.

### **Resumes of key personnel (owners, project managers, estimators)**

The surety evaluates the experience and depth of your management team.

## Organizational chart

Shows the surety the structure and depth of your operation.

## Safety records (EMR, OSHA logs if requested)

A strong safety record supports the Character evaluation.

## 8. CREDIT AUTHORIZATION

### Signed credit authorization for the business

Allows the surety to pull a business credit report.

### Signed credit authorization for each individual indemnitor

Allows the surety to pull personal credit reports on all signers of the GAI.

## 9. PROJECT-SPECIFIC INFORMATION (for each bond request)

### Contract documents or bid documents

The surety needs to understand the project scope and terms.

### Cost estimate or bid breakdown

Shows how you priced the job and what margins you expect.

### Project schedule

Duration, milestones, and completion timeline.

### Subcontractor plan (if applicable)

Who is performing what portion of the work and their qualifications.

### Bonding requirements from the contract (type, amount, surety rating)

Confirm the bond type, penal sum, and any surety rating requirements before submission.

**Pro Tip:** Build your underwriting file once, keep it updated, and have it ready to go before you need it. The contractors who get bonded fastest are the ones who do not scramble when an opportunity comes up.

**Need help? Call Grit Insurance Group at (801) 505-5500 or email [Surety@gritinsurance.com](mailto:Surety@gritinsurance.com)**