

## Preconference Workshop 5

*Monday, November 7, 9:00 a.m.–4:30 p.m.*

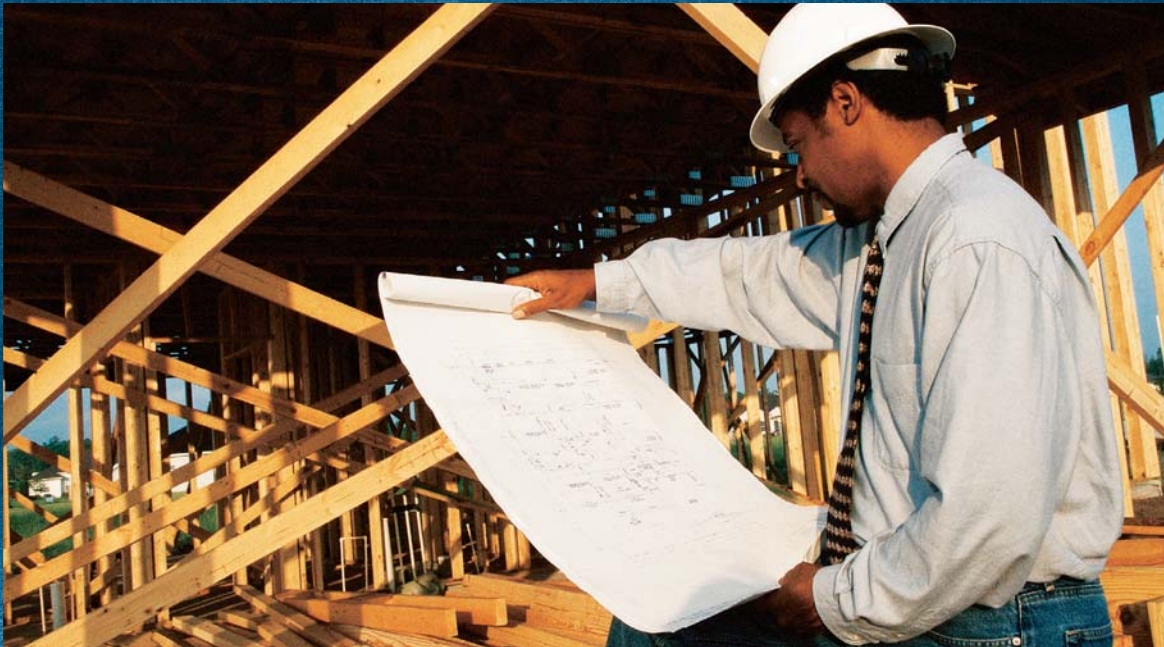
# **CONTRACTOR QUESTIONNAIRE**

Presented by

**Thomas H. McCarley III**  
Executive Vice President  
Palmer & Cay/Wachovia



A popular introductory course, this workshop provides an overview of construction bond and insurance programs. The day starts with an overview of contract bonds that are commonly used in construction, including when each type of bond is appropriate and what they do and do not cover. Subsequently, experts in general and umbrella liability, builders risk, and workers compensation insurance will examine the coverage provided by these policies. Designed primarily for those who are new to construction insurance, this session provides a foundation for understanding more advanced concepts that will be examined in other Conference workshops. This workshop will review the common types and uses of construction contract bonds; examine the coverage provided by contractors' core insurance policies; identify coverage challenges and make recommendations for filling gaps or modifying problematic policy language; and provide a basis for understanding higher-level concepts presented during the remainder of the Conference.



WHAT CAN A  
**BEARING WALL**  
TEACH US ABOUT  
**INSURANCE COVERAGE?**



*The right support can make all the difference.*

WACHOVIA INSURANCE SERVICES WELCOMES PALMER & CAY AND ITS CLIENTS. Two companies joining forces around a singular focus: meeting client needs. With more than \$4 billion in client premium placements, Wachovia Insurance Services, Inc. is now ranked among the largest insurance brokerage firms in the country. A firm built on the unwavering dedication of the industry's most talented people. With the strength and focus of our combined firms, Wachovia Insurance Services will continue to lead the industry with innovative solutions and unparalleled client service.



PROPERTY AND CASUALTY ■ EMPLOYEE BENEFITS ■ LIFE INSURANCE ■ EXECUTIVE BENEFITS ■ RISK MANAGEMENT

**Thomas Howard McCarley III**  
**Executive Vice President**  
**Palmer & Cay/Wachovia**

Mr. McCarley is one of the presenters for Monday's Preconference Workshop 5, "Introduction to Construction Bonds and Insurance." He is director of Palmer & Cay/Wachovia's Surety Construction Practice Group. Palmer & Cay/Wachovia is the nation's 9th largest independent broker with 28 offices in 15 states. He has been in the insurance and bonding industry dealing exclusively with contractors for more than 25 years, beginning with the Crump Agency in Memphis, Tennessee, as a producer and leaving in 1982 to help form the Armistead Group of agencies with offices in Knoxville, Nashville, Birmingham, and New Orleans. This group sold to Sedgwick where Mr. McCarley became director of Sedgwick's National Contractors Division. In 1993, Mr. McCarley became a regional director for Aon's Construction Group.

He has spoken to the Joint AGC/CFMA Educational Conference, the Engineering Department at the University of Wisconsin—Madison, The University of Tennessee Construction Technology classes, CFMA Chapters, the National Association of Plumbing, Heating and Cooling Contractors, and the Design Build Institute of America Annual Conference. He is a frequent speaker in the industry on bonding issues and a recipient of IRMI's Words of Wisdom (WOW) Award, given to distinguished Construction Risk Conference speakers. He has taught and conducted many seminars on bonding in addition to the Construction Risk Conference; he recently taught as a guest lecturer on bonding for the Insurance Department of the University of Mississippi as well as continuing education for a national CPA firm.

## ***Notes***

This file is set up for duplexed printing. Therefore, there are pages that are intentionally left blank. If you print this file, we suggest that you set your printer to duplex.



# CONTRACTOR QUESTIONNAIRE

Const. Bonds/Ins.

1. Name of Firm \_\_\_\_\_
2. Address \_\_\_\_\_ 3. Fiscal Yr End \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_
4. Phone (with area code) \_\_\_\_\_ 5. Fax \_\_\_\_\_
6. E-mail Address \_\_\_\_\_ 7. Federal ID# \_\_\_\_\_
8. Yr Business Started \_\_\_\_\_ 9. Type of Business:  Corp  Part  Prop  Sub S Corp
10. State of Incorporation \_\_\_\_\_ 11. Area of Operation \_\_\_\_\_
12. List the corporate officers, partners or proprietors of your firm:
 

	<u>Name</u>	<u>Yr Birth</u>	<u>Position</u>	<u>% Ownership</u>	<u>Spouse Name</u>
A.	_____	_____	_____	%	_____
B.	_____	_____	_____	%	_____
C.	_____	_____	_____	%	_____
D.	_____	_____	_____	%	_____
E.	_____	_____	_____	%	_____
13. Will the above individuals and spouses personally indemnify Surety?  Yes  No  
 If no, please explain: \_\_\_\_\_
14. Is there a buy/sell agreement among the owners of the business?  Yes  No
15. Is this agreement funded by life insurance?  Yes  No
16. Corporate Indemnity?  Yes  No 17. Cross/Corp Indemnity?  Yes  No
18. How many people does your firm employ? \_\_\_\_\_ 19. How many work crews? \_\_\_\_\_
20. Has your firm or any of its principals ever petitioned for bankruptcy, failed in business, or defaulted so as to cause a loss to Surety?  Yes  No  
 If yes, please explain on a separate sheet of paper.
21. Is your firm or any of its owners or officers currently involved in any litigation?  Yes  No  
 If yes, please explain on a separate sheet of paper.
22. What percentage of the firm's work is normally for Government Agencies? \_\_\_\_\_ % Private Owners? \_\_\_\_\_ %
23. What percentage of the firm's work is normally subcontracted? \_\_\_\_\_ %
24. Are bonds required of subcontractors?  Yes  No
25. What trades do you normally subcontract? \_\_\_\_\_
26. What is the largest amount of uncompleted work on hand at one time in the past? \_\_\_\_\_  
 Amount: \$ \_\_\_\_\_ Year: \_\_\_\_\_
27. What is the largest job you expect to do during the next year? \$ \_\_\_\_\_
28. What is the largest uncompleted work program expected during the next year? \$ \_\_\_\_\_

29. What is your expected annual volume next year? \$ \_\_\_\_\_  
 30. What trades do you normally undertake with your own forces? \_\_\_\_\_

31. SIC Code \_\_\_\_\_

32. Do you lease equipment?  Yes  No 33. Type of lease? \_\_\_\_\_

34. What are the terms of the lease? \_\_\_\_\_

35. Name of your CPA: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Contact Person: \_\_\_\_\_

36. On what basis are taxes paid?  Cash  Completed Job  Accrual  % of Completion

37. On what basis are financial statements prepared?  
 Cash  Completed Job  Accrual  % of Completion

38. On what level of assurance are financial statements prepared?  
 CPA Audit  Review  Compilation

39. How often are financial statements prepared?  Annually  Semi-ann.  Quarterly  Monthly

40. Do you have a full-time accountant on staff?  Yes  No 41. Yrs of experience \_\_\_\_\_

42. Are job cost records kept?  Yes  No

43. How often reviewed? \_\_\_\_\_ 44. How often updated? \_\_\_\_\_

45. Name of your Bank \_\_\_\_\_

Address \_\_\_\_\_

Phone: \_\_\_\_\_ Contact Person: \_\_\_\_\_

46. Amount of line of credit? \$ \_\_\_\_\_ 47. Expiration date? \_\_\_\_\_ 48. Interest rate? \_\_\_\_\_ %

49. UCC Filing?  Yes  No 50. Is your firm union?  Yes  No

51. What is the firm's Dun & Bradstreet Number? \_\_\_\_\_

52. D&B Rating \_\_\_\_\_ 53. Pay record \_\_\_\_\_ 54. Date of Rating \_\_\_\_\_

Remarks: \_\_\_\_\_

55. Previous Bonding Companies:  
Name Reason for Leaving

A. \_\_\_\_\_  
 B. \_\_\_\_\_  
 C. \_\_\_\_\_

56. List five of your largest contracts:

	<u>Job Name</u>	<u>Contract Price</u>	<u>Gross Profit</u>	<u>Completion Date</u>	<u>Bonded?</u>
A.	_____	\$ _____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Owner: _____		Design Professional: _____		
B.	_____	\$ _____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Owner: _____		Design Professional: _____		
C.	_____	\$ _____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Owner: _____		Design Professional: _____		

D. \_\_\_\_\_ \$ \_\_\_\_\_  Yes  No  
 Owner: \_\_\_\_\_ Design Professional: \_\_\_\_\_

E. \_\_\_\_\_ \$ \_\_\_\_\_  Yes  No  
 Owner: \_\_\_\_\_ Design Professional: \_\_\_\_\_

57. List five of your major suppliers:

	<u>Name</u>	<u>Address</u>	<u>Telephone</u>	<u>Contact</u>
A.	_____	_____	_____	_____
B.	_____	_____	_____	_____
C.	_____	_____	_____	_____
D.	_____	_____	_____	_____
E.	_____	_____	_____	_____

58. List five subcontractors (or contractors if you are a subcontractor) that you do business with:

- A. Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_ Job: \_\_\_\_\_
- B. Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_ Job: \_\_\_\_\_
- C. Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_ Job: \_\_\_\_\_
- D. Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_ Job: \_\_\_\_\_
- E. Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_ Job: \_\_\_\_\_

59. List three Architects you have done business with:

- A. Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_ Job: \_\_\_\_\_
- B. Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_ Job: \_\_\_\_\_
- C. Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_ Job: \_\_\_\_\_

60. List key personnel, foremen, or supervisors:

	<u>Name</u>	<u>Position</u>	<u>Yr of Birth</u>	<u>Yrs Exper</u>	<u>Prev Employer</u>
A.	_____	_____	_____	_____	_____
B.	_____	_____	_____	_____	_____
C.	_____	_____	_____	_____	_____
D.	_____	_____	_____	_____	_____
E.	_____	_____	_____	_____	_____

61. List any life insurance in effect on key personnel:

	<u>Name</u>	<u>Beneficiary</u>	<u>Amount</u>	<u>Cash Value</u>
A.	_____	_____	\$ _____	\$ _____
Insurance Company: _____				
B.	_____	_____	\$ _____	\$ _____
Insurance Company: _____				
C.	_____	_____	\$ _____	\$ _____
Insurance Company: _____				

62. List other insurance coverage currently in effect:

		<u>BI</u>	<u>PD</u>	<u>Carrier</u>	<u>Expire Date</u>
A.	General Liability	\$ _____	\$ _____	_____	_____
B.	Auto Liability	\$ _____	\$ _____	_____	_____
C.	Umbrella	\$ _____	\$ _____	_____	_____
D.	Owner's Protection	\$ _____	\$ _____	_____	_____

63. List any subsidiaries and affiliates of the contracting firm:

	<u>Firm Name</u>	<u>Ownership</u>	<u>Type Business</u>	<u>NANDA Code</u>
A.	_____	_____	_____	_____
B.	_____	_____	_____	_____
C.	_____	_____	_____	_____
D.	_____	_____	_____	_____
E.	_____	_____	_____	_____

Remarks: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Completed by: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_