

PROPOSAL FORM

ADVANCED PAYMENT BOND

Please Note

1. Please answer **ALL** questions in full. If there are insufficient spaces on the form please continue on the company letterhead.
2. The latest audited Financial Statements / Annual Report / Interim Report **MUST** be attached.
3. This form may be used for new applications or new renewals. In the case of renewals, the underwriters **MUST** receive a completed, signed and dated proposal form, financials/reports and acceptance of renewal terms prior to renewal date, failing which, no cover exists after said date.
4. It is the intention of underwriters that any Contract of Insurance with the Proposer shall be based upon the information provided in this Proposal Form as well as any attachments included. If a quotation is offered, it will be the intention of the underwriters to offer cover **ONLY** in respect of the entities named under Particulars of Proposer.

NB: (No insurance is in force until the Proposal has been accepted by the Company and the premium paid, except as provided by an official Covering Note issued by the Company)

If SKYBRIDGE RE agrees to issue an advanced payment bond, all of the information, which the company provides, will become part of and shall form the basis of any bond issued to the Company by Skybridge Reinsurance Brokers.

GUARANTOR DETAILS

Guarantor: _____

Physical address: _____

Guarantor's signatory 1: _____ **Capacity:** _____

Guarantor's signatory 2: _____ **Capacity:** _____

Employer: _____

Recipient: _____

Contractor: _____

Contractor: _____

Principal Agent: _____

Works: _____

Site: _____

Guaranteed Advance Payment Sum (maximum aggregate amount): _____ **Currency:** _____

Amount in words: _____

Security expiry date: / /

AGREEMENT DETAILS

1.0 GUARANTEE FOR ADVANCE PAYMENT

1.1 The particulars of the recoupment of the guaranteed Advance Payment sum are set out in the following schedule: -

Recoupment period	(no. of months)	
Recoupment period commencement	(start month)	
Monthly recoupment	(amount)	

Note: Where the recoupment amounts and/or periods are irregular a schedule of recoupment amounts and dates must be attached

1.2 The Guarantor's liability shall be limited to the outstanding diminishing amounts of the guaranteed Advance Payment sum as follows: -

- a) The guaranteed Advance Payment sum on receipt thereof by the Recipient.
- b) The full outstanding balance after the deduction of each recoupment made in terms of the monthly payment certificate as stated in 1.1.
- c) After the deduction of the last scheduled recoupment payment or on settlement of the full outstanding balance this Guarantee for Advance Payment shall expire.

2.0 The Guarantor acknowledges that: -

- a) Any reference in this Guarantee for Advance Payment to the Agreement is made for the purpose of convenience and shall not be construed as any intention to create an accessory obligation or any intention to create a suretyship.
- b) Its obligation under this Guarantee for Advance Payment is restricted to the payment of money
- c) Reference to a recovery statement or a Payment Certificate shall mean such certificate issued by the Principal Agent

3.0 Subject to the Guarantor's maximum liability referred to in 1.0 the Guarantor undertakes to pay the Employer the sum certified on receipt of the documents identified in (a) to (c):-

- a) A copy of a first written demand notice issued by the Employer to the Recipient stating that payment of a sum certified by the Principal Agent has not been made in terms of the Agreement and failing such payment within seven (7) calendar days, the Employer intends to call upon the Guarantor to make payment in terms of (b).
- b) A first written demand notice issued by the Employer to the Guarantor at the Guarantor's physical address with a copy to the Recipient stating that a period of seven (7) calendar days has elapsed since the issue of the first written demand notice in terms of (a) and that the sum certified has not been paid to date. The Employer herewith calls up this Guarantee for Advance Payment and demands payment of the sum certified from the Guarantor.
- c) A copy of the recovery statement and payment certificate which entitles the Employer to receive payment in terms of the Agreement of the sum certified in 3.0.

4.0 Subject to the Guarantor's maximum liability referred to in 1.0 the Guarantor undertakes to pay the Employer the guaranteed Advance Payment sum or the full outstanding balance upon receipt of a first written demand notice from the Employer to the Guarantor at the Guarantor's physical address calling up this Guarantee for Advance Payment stating that: -

- a) The Agreement has been terminated due to the Recipient's default and that the Guarantee for Advance Payment is called up in terms of 4.0. The demand notice shall enclose a copy of the notice of termination; or
- b) A provisional sequestration or liquidation court order has been granted against the Recipient and that the Guarantee for Advance Payment is called up in terms of 4.0. The demand notice shall enclose a copy of the court order.

5.0 The aggregate amount of payments to be made by the Guarantor in terms of 3.0 and 4.0 shall not exceed the Guarantor's maximum liability in terms of 1.0

6.0 Payment by the Guarantor in terms of 3.0 or 4.0 shall be made within seven (7) calendar days on receipt of the first written demand notice to the Guarantor

7.0 The Employer shall have the absolute right to arrange his affairs with the Recipient in any manner which the Employer deems fit and the Guarantor shall not have the right to claim his release from this Guarantee for Advance Payment on account of any conduct alleged to be prejudicial to the Guarantor

8.0 The Guarantor chooses the physical address as stated above for all transactions in connection with this Guarantee

9.0 This Guarantee for Advance Payment is neither negotiable nor transferable and shall expire upon payment of the final payment certificate in terms of the Agreement or on payment in full of the guaranteed Advanced Payment Sum or on the expiry date of the Guarantee whichever is the earlier, where after no claims will be considered by the Guarantor. The original Guarantee for Advance Payment form shall be returned to the Guarantor after it has expired

10.0 This Guarantee for Advance Payment, with the required demand notices in terms of 3.0 or 4.0, shall be regarded as a liquid document for the purpose of obtaining a court order

DECLARATION

I/We declare that the above statements are true and complete.

At the present time, other than as stated above, I / We have no reason to anticipate any claim being brought against me/s that would constitute a claim under the insurance now being renewed or applied for.

I / We declare that in the event of this being a renewal of a policy, there have been no material alterations to the risk as submitted to the underwriter originally, and if a new application that all material facts have been disclosed.

I/We agree that this declaration shall form, together with the proposal form, the basis of the contract between me/us and the Insurers, and that I/We are properly authorised to sign this declaration.

Full name:

Capacity:

Signature:

Date:
