

## **Fiduciary Bond Application Package**

(including Administration, Foreign Executor, Guardianship and Committee Bonds)

- Step 1      Complete the attached Bond Application - make sure to answer every question. Missing information will delay the underwriting review.
  
- Step 2      Email the completed forms to [bonds@erassure.com](mailto:bonds@erassure.com) or fax to our office at 1-866-897-8901.
  
- Step 3      The completed application forms will be submitted for underwriting.
  
- Step 4      A member from our team will contact you if more information is required, or provide you with a quote for the requested bond, along with any additional documents that may be needed to issue the bond.

If you have any questions, please do not hesitate to contact one of our Insurance Service Consultants at 1-855-636-3777.

# APPLICATION FOR FIDUCIARY/ESTATE ADMINISTRATION BOND

We hope the following will assist you in completing the Fiduciary Bond Application, and help speed up the process for you and the underwriter.

## Common Definitions:

**Fiduciary:** A fiduciary is an individual who is granted authority over another person's interests or assets.

**Surety:** Surety always involves three parties:

1. **Obligee:** the party to whom the bond is payable in the event of a claim (i.e. the beneficiaries of an estate);
2. **Principal/Fiduciary:** the party whose performance obligation is guaranteed (i.e. the applicant for the bond); and
3. **Surety:** the party that assumes the obligation for a claim payment (i.e. an insurance company) if the principal cannot complete the obligation themselves.

**Surety/Fiduciary Bond:** A surety or fiduciary bond protects the obligee/beneficiary against losses, up to the limit of the bond, that result from the principal's failure to perform their obligation. **This is not insurance; any amounts paid out under a surety bond are fully recoverable from the principal.**

**Indemnity Agreement:** An Indemnity agreement is a signed agreement that requires the principal and all others who sign the indemnity agreement to reimburse the surety company should any amount be paid out under the bond.

## Application:

**Please ensure that all questions are answered on the application. Missing information will delay the underwriter's decision and may result in a decision to decline your application.**

**Value of the Estate:** Value of the assets including vehicles, bank accounts and investments, and personal property, plus real estate minus any mortgage balance or loans secured against the real estate.

**Bond Amount Requested:** Each jurisdiction has a standard Estate Administration bond calculation based on the Value of the Estate (note: other types of bonds may differ). Your lawyer may apply to the courts to have this amount reduced (if this is the case, a copy of the court approval may be requested).

Example:

|              |  |
|--------------|--|
| Ontario:     | 2X value of the estate                     |
| Nova Scotia: | 1.5X value of the estate                   |
| All others:  | 1X value of the estate or as court ordered |

**If you are applying for a Committee Bond or Guardianship Bond (where you are acting for a party that cannot represent him or herself),** two physician letters and a copy of the court order declaring incompetency are required before our underwriter can review the application. Please also include a copy of the court approved management plan. If you are in a Province that does not require a formal management plan, the underwriter will still, however, require you to produce a management plan for the estate.

**Schedule "1" Inventory of the Estate** - please provide as much detail as possible on the plans for any personal property as well as how the other assets will be handled. If there is a business involved, it is important to include details on the nature of the business and if/how the business will continue.

**Personal Worth Statement** - please include all of your assets and liabilities to give the underwriter a clear picture of your financial situation. If any of your assets are jointly owned, please have the co-owner also sign the application where indicated.

**Note:** If your personal net worth is not equal to or in excess of the Bond Amount Requested, it is likely that the underwriter will require an additional party to co-guarantee the bond. (This means that they are also agreeing to pledge their assets in the event the bond must be called upon.) We will need a Personal Worth Statement completed by the co-guarantor as well before underwriting can review the application.

If a co-guarantor is not available, your bond application may not be approved and another person may be required to make application.

**Additional Information** - please provide any information you feel may help the underwriter approve your application. Tell us about your family, why you are applying, give us information about the plans for the assets (i.e. if you already know that someone has made an offer to buy the house, that's helpful information for the underwriter). Any additional information that will help tell your story is valuable.

### **Application Process:**

Upon receipt of your application, we review it to ensure it is complete before submitting it to the surety underwriter.

The underwriter considers your application and provides its feedback with one of three responses:

- a) **Approved** - If your bond application is approved, the underwriter will confirm the premium required and the terms of the bond, and any additional requirements they need.
- b) **Declined** - if the underwriter is unable to provide a bond to you, they will provide reasons for the declination.
- c) **More Information Required** - If more information is required, the underwriter sets out the information needed and will hold the file open until it is received and reviewed.

If/when your application for a bond is approved, we will require the original signed Indemnity Agreement as well as the original application documents (and any additional requirements requested by the underwriter) and premium payment before the bond can be issued.

The underwriter often requires two to three years of premium payment in advance, and annual premium payments thereafter, until such time as the bond is released by the courts and the original bond is returned to ERAssure. Only then can the bond be cancelled and the premium obligation ends.

Bonds are typically issued within 24-36 hours of receipt of the original documents and payment, and are sent to either the applicant or the lawyer for filing with the courts.

*Please note that executor liability insurance is also available to protect estate trustees/executors as they perform their estate administration duties. Please contact our office for more information.*

## Fiduciary Bond Information Worksheet

|                             |                               |
|-----------------------------|-------------------------------|
| <b>VALUE OF THE ESTATE:</b> | <b>BOND AMOUNT REQUESTED:</b> |
|-----------------------------|-------------------------------|

| <b>APPLICANT #1</b>   |  |
|---|--|
| Name:   |  |
| Mailing Address:  |  |
| Email Address:  |  |
| Relationship to Decedent:                                       |  |
| Age:  |  |
| Occupation:<br><small>(if retired, previous occupation)</small> |  |
| Name of Employer:   |  |
| Employed Since:   |  |
| Business Address of Applicant:                                  |  |
| Applicant's Share in Estate:                                    | <input type="radio"/> Not a Beneficiary of the Estate <input type="radio"/> My share is        % or \$ |
| Does the Applicant owe money to the estate?                     | <input type="radio"/> No <input type="radio"/> Yes (please provide details)                            |

| <b>APPLICANT #2 (if necessary)</b>                              |  |
|---|--|
| Name:   |  |
| Mailing Address:  |  |
| Email Address:  |  |
| Relationship to Decedent:                                       |  |
| Age:  |  |
| Occupation:<br><small>(if retired, previous occupation)</small> |  |
| Name of Employer:   |  |
| Employed Since:   |  |
| Business Address of Applicant:                                  |  |
| Applicant's Share in Estate:                                    | <input type="radio"/> Not a Beneficiary of the Estate <input type="radio"/> My share is        % or \$ |
| Does the Applicant owe money to the estate?                     | <input type="radio"/> No <input type="radio"/> Yes (please provide details)                            |

| DECEDENT / INCOMPETENT PERSON DETAILS        |  |
|--|--|
| Name:  |  |
| Last Address:                                |  |
| Age:   |  |
| Date of Death or Date Declared Incompetent:: |  |
| Does the above-named person have a will?     | <input type="radio"/> No <input type="radio"/> Yes (please provide a copy) |

| BOND DETAILS   |  |
|--|--|
| <b>Type of Bond:</b>   | <input type="radio"/> <b>ADMINISTRATION COMMITTEE</b> <input type="radio"/> <b>FOREIGN EXECUTOR GUARDIANSHIP</b> |
| Name of Solicitor:   |  |
| Firm Name and Address:   |  |
| Which Judicial District will the bond be filed in?                                 |  |
| Has the applicant ever had this or any other bond declined?                        | <input type="radio"/> No <input type="radio"/> Yes (please provide details)                                      |
| Has application for this bond been made to any other company?                      | <input type="radio"/> No <input type="radio"/> Yes (why was it not executed?)                                    |
| Have you or any other person provided a bond for this estate previously?           | <input type="radio"/> No <input type="radio"/> Yes (please provide details)                                      |
| Is application to replace an existing bond?  | <input type="radio"/> No <input type="radio"/> Yes (please provide details)                                      |
| Is applicant replacing a previous administrator, executor, committee, or guardian? | <input type="radio"/> No <input type="radio"/> Yes (please provide details)                                      |
| It is expected that the Estate will be closed within:                              | _____ months, _____ years  |

**If Application is being made for Administration/Foreign Executor Bond:**

- a) Have all beneficiaries not applying renounced in favour of the applicant?  Yes  No (please provide details)
- b) Are there any beneficiaries whose whereabouts are unknown or who are mentally incompetent?  No  Yes (please provide details)
- c) Are there any other claimants to the assets of the estate, other than listed on the next page?  No  Yes (please provide details)

**If Application is being made for a Committee/Guardianship Bond (in the case of incompetence):**

- a) Where/with whom does the incompetent person reside?
- b) Please attach the following:
- A copy of two physician's letters setting out the details of the state of health and prognosis of the incompetent.
  - A copy of the court order declaring incompetency
  - A copy of the management plan approved by the Public Guardian and Trustees office

**If Application is being made for a Guardian Bond (in the case of minor children):**

- a) Where/with whom does the minor reside?
- b) Please attach a copy of the court order.

| BENEFICIARY DETAILS (attach a separate sheet if necessary) |     |                          |         |
|--|-----|--------------------------|---------|
| Name   | Age | Relationship to Decedent | Address |
|  |     |                          |         |
|  |     |                          |         |
|  |     |                          |         |
|  |     |                          |         |
|  |     |                          |         |

**Complete Schedule "1" Inventory of the Estate to form part of this application.**

### STATEMENT OF UNDERTAKING

In consideration of the Surety issuing a Fiduciary Bond on behalf of the Applicant(s) named herein, for the Estate named herein, I (applicants) hereby irrevocably undertake as follows:

1. To pay or caused to be paid to the Surety:
  - a) a premium computed in accordance with the Surety's rates upon issuance of the bond, and
  - b) annually, in advance for each year thereafter, until the undersigned has furnished to the Surety competent written legal evidence of its discharge from all liability by reason of having executed or procured said bond;
2. To comply strictly with all conditions of the Court and all the requirements of law in the performance of the trust including the passing of accounts as stipulated by law;
3. To furnish on request and at any reasonable time the Surety with information regarding the administration of the estate and to allow the Surety to inspect the books, records and accounts relating to the Estate;
4. That, as Trustee of the Estate herein, I will move expeditiously to administer this Estate and finalize all Estate matters as soon as legally possible, and thereafter, immediately arrange for the release and return of the Bond to the Surety in order to cancel the Bond.

The undersigned hereby declare(s) that all the information provided in this and any other form related to this application is to the best of my/our knowledge true, complete and correct and understand it will be used by the Surety to determine credit worthiness. The undersigned further consents to the disclosure at any time of any credit information about me/us to any credit reporting agency or to anyone with whom I/we have financial relations.

|                                  |
|----------------------------------|
| Name of Applicant (please print) |
| Signature of Applicant           |
| Date                             |

|                                     |
|-------------------------------------|
| Name of Co-Applicant (please print) |
| Signature of Co-Applicant           |
| Date                                |

## Schedule "1" - Inventory of the Estate

| INVENTORY OF THE ESTATE   |                     |               |           |           |
|---|---------------------|---------------|-----------|-----------|
| Inventory for the estate of:  |                     |               |           |           |
| As of (date):   |                     |               |           |           |
| Description of Real Property/Real Estate  |                     |               |           |           |
| Location  | Registered Owner(s) | Present Value | Mortgage  | Net Value |
|   |                     |               |           |           |
|   |                     |               |           |           |
|   |                     |               |           |           |
| Please provide plans for the real estate listed above:  |                     |               |           |           |
| Description of Personal Property  |                     |               |           |           |
| Item  | Present Value       | Lien          | Net Value |           |
| Cash:   |                     |               |           |           |
| Investments:  |                     |               |           |           |
| Vehicles:   |                     |               |           |           |
| All other personal property (i.e. household contents, jewellery, etc.) Please provide a breakdown on a separate sheet of paper.                             |                     |               |           |           |
| Please provide plans for the property listed above:   |                     |               |           |           |
| Description of Business Assets  |                     |               |           |           |
| Does the estate include a business? <input type="radio"/> No <input type="radio"/> Yes (please provide details)   |                     |               |           |           |
| a) Name of business:  |                     |               |           |           |
| b) Type of business:  |                     |               |           |           |
| c) Nature of business: <input type="radio"/> Corporation <input type="radio"/> Partnership <input type="radio"/> Sole Proprietor                            |                     |               |           |           |
| d) Do you intend to conduct the business? <input type="radio"/> No <input type="radio"/> Yes (please provide details)                                       |                     |               |           |           |
| e) If the business will be continued, has permission been granted by the Court? <input type="radio"/> Yes <input type="radio"/> No (please provide details) |                     |               |           |           |
| Please provide plans for the business listed above:   |                     |               |           |           |

## Schedule "1" - Inventory of the Estate (cont'd)

| Description of Estate Debts/Liabilities  |                |        |              |
|--|----------------|--------|--------------|
| Name of Creditor   | Nature of Debt | Amount | Date Payable |
|  |                |        |              |
|  |                |        |              |
|  |                |        |              |
|  |                |        |              |
| Are there any legal proceedings against the Estate or the Decedent (current or anticipated)? <input type="radio"/> No <input type="radio"/> Yes (please provide details) |                |        |              |
| Please explain your plans in respect of these proceedings:   |                |        |              |



## Personal Worth Statement

(To be completed by each Applicant)

|               |
|---------------|
| Name:         |
| As of (date): |

| CURRENT ASSETS (not incl. real estate)            |  | CURRENT LIABILITIES (not incl. real estate) |  |
|---|--|---|--|
| Cash  |  | Bank/Other Loans Payable (Schedule D)       |  |
| Specify Bank and Branch:                          |  | Taxes Due                                   |  |
|   |  | Total of Other Liabilities                  |  |
| Non-Registered Investments (Schedule A)           |  | Listing of Other Liabilities:               |  |
| Pension   |  |   |  |
| RRSP or other Registered Funds                    |  |   |  |
| Life Insurance with Cash Value (Schedule B)       |  |   |  |
| Vehicles (Schedule C)                             |  |   |  |
| Total of Other Assets (i.e. jewellery, household) |  |   |  |
| Listing of Other Assets:                          |  |   |  |
|   |  |   |  |
|   |  |   |  |
| <b>Total Current Assets</b>                       |  | <b>Total Current Liabilities</b>            |  |

| FIXED ASSETS (i.e. real estate) |  | DEFERRED LIABILITIES              |  |
|---------------------------------|--|-----------------------------------|--|
| Real Estate (Schedule E)        |  | Mortgages on Real Estate          |  |
|                                 |  |                                   |  |
|                                 |  |                                   |  |
| <b>Total Fixed Assets</b>       |  | <b>Total Deferred Liabilities</b> |  |

| Total Current Assets  | Total Fixed Assets | Total Current Liabilities | Total Deferred Liabilities |
|---|--------------------|---------------------------|----------------------------|
| \$  | \$                 | \$                        | \$                         |
| <b>PERSONAL NET WORTH</b><br>(Total Current Assets + Total Fixed Assets - Total Current Liabilities - Total Deferred Liabilities) |                    |                           | \$                         |

## Personal Worth Statement (cont'd)

| GROSS ANNUAL INCOME                    |                 | ANNUAL EXPENDITURES                     |                 |
|--|-----------------|---|-----------------|
|  | Amount per Year |   | Amount per Year |
| Salary, Wages, Commissions, Fees, etc. |                 | Mortgage/Rent                           |                 |
| Dividends and Interest                 |                 | Property Taxes                          |                 |
| Rental Income                          |                 | Utilities                               |                 |
| Other income (please specify)          |                 | Estimated Living Expenses               |                 |
|  |                 | Transportation                          |                 |
|  |                 | Payment on Loans, Charge Accounts, etc. |                 |
|  |                 | Insurance Premiums (home, car, life)    |                 |
|  |                 | Other expenditures (please specify)     |                 |
|  |                 |   |                 |
|  |                 |   |                 |
| <b>Total Annual Income</b>             |                 | <b>Total Annual Expenditures</b>        |                 |

- |  |                       |                       |  |  |
|--|-----------------------|-----------------------|--|--|
|  | Yes                   | No                    |  |  |
| 1. Are you liable as a co-signor or guarantor?       | <input type="radio"/> | <input type="radio"/> |  | If you answered yes to any of these questions, please provide full details on a separate page and attach to this form. |
| 2. Are there any lawsuits or judgements against you? | <input type="radio"/> | <input type="radio"/> |  |  |
| 3. Are you now or have you ever been bankrupt?       | <input type="radio"/> | <input type="radio"/> |  |  |

The Applicant hereby certifies that the information provided above and in the schedules is true and is made for the purpose of requesting the Surety to execute bonds of Suretyship and further authorizes the company and requests the banks and other parties named herein, to confirm the bank balances and all other items comprising this statement.

The Applicant consents to any reference or credit investigations that are made on my behalf in connection with my application for a Surety bond facility with the Surety.

|                                  |
|----------------------------------|
| Name of Applicant (please print) |
| Signature of Applicant           |
| Date                             |

|  |
|--|
| If any of the assets or liabilities listed in this Personal Worth Statement are jointly owned, please have the co-owner complete and sign below: |
| Name of Joint Owner  |
| Signature of Joint Owner   |
| Date   |

## Personal Worth Statement (cont'd)

### Schedules

| SCHEDULE A: NON-REGISTERED INVESTMENTS (Stocks, Bonds, Mutual Funds, etc.) |                        |                      |  |               |                    |                       |
|--|------------------------|----------------------|--|---------------|--------------------|-----------------------|
| Name of Security/Holder  | Number of Shares/Units | Current Market Value | Pledged as Collateral                              |               |                    |                       |
|  |                        |                      | <input type="radio"/> Yes <input type="radio"/> No |               |                    |                       |
|  |                        |                      | <input type="radio"/> Yes <input type="radio"/> No |               |                    |                       |
|  |                        |                      | <input type="radio"/> Yes <input type="radio"/> No |               |                    |                       |
|  |                        |                      | <input type="radio"/> Yes <input type="radio"/> No |               |                    |                       |
| SCHEDULE B: PERMANENT LIFE INSURANCE POLICIES WITH CASH VALUES             |                        |                      |  |               |                    |                       |
| Face Amount  | Company                | Beneficiary          | Cash Surrender Value<br>(net of any Policy Loans)  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
| SCHEDULE C: VEHICLES   |                        |                      |  |               |                    |                       |
| Year   | Make and Model         | Current Value        | Outstanding Amount                                 |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
| SCHEDULE D: Bank/Other Loans Payable                                       |                        |                      |  |               |                    |                       |
| Name of Loan Holder  | Total Amount Owning    | Date Due             | Terms  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
| SCHEDULE E: Real Estate  |                        |                      |  |               |                    |                       |
| Location/Description of Property   | Registered Owner       | Date of Purchase     | Purchase Price                                     | Current Value | Amount of Mortgage | Financial Institution |
|  |                        |                      |  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |
|  |                        |                      |  |               |                    |                       |

## **Fiduciary Bond Application - Additional Information**

Please provide any additional information you feel may be helpful to the underwriters in approving your application.