



Construction

Guarantee and Performance Bonds

Allianz 

Allianz Guarantee

Information for Contractors, Sub-Contractors and their Advisers

Allianz is a leading global insurer and the market leader in the provision of bonds and guarantees in Ireland. With specialist guarantee underwriters, Allianz services all areas of the market from general building contractors and civil engineers, to mechanical and electrical contractors and other specialist subcontractors.

Our experienced team is familiar with the needs of contractors, and can assist you in meeting your requirements in relation to bonds, including bond wordings, tender undertakings and special bond requirements, such as advance payment bonds and retention bonds.

In addition to contract performance bonds, we also provide a range of other bonds required by companies and individuals including the following:

- Development and Roads & Services Bonds – to satisfy Planning Authorities
- Trade Bonds – to satisfy the Revenue Commissioners & Customs
- Auctioneer's Bonds – to enable the issue of an Auctioneer's Licence

Allianz Performance Bonds

Contract, Performance or Surety Bonds are guarantees to pay the direct loss suffered by a party (the Employer) as a result of a breach of contractual obligations by the other party (the Contractor).

In essence, this means that in the event of default by the contractor, usually as a result of insolvency, the Employer will be able to recover the necessary additional costs they incur from the Surety up to the level of the bond.

The additional costs normally incurred include:

- The extra amounts that need to be paid to a completion contractor
- Site security
- Additional Insurance and Design Team charges.

While a bond is not a mandatory requirement, prudent Employers insist on a bond in most cases. Building Contractors tendering for jobs are therefore frequently likely to encounter projects with a bond requirement.

Obtaining a Performance Bond

Obtaining a performance bond is a straightforward process and not something for a contractor to avoid or fear. By arranging a bond efficiently, a contractor is able to



will be acceptable to their clients. Allianz is licensed to issue bonds in Ireland and the UK.

Allianz issues conditional bonds that offer the contractor protection of the contract conditions and reduce the risk of unfair calling inherent with on demand bonds.

We allow you to make the most of your finances

Allianz generally provides contract bond facilities on an unsecured basis, relying on counter indemnities. This leaves company assets available to secure bank finance.

An Allianz bond facility leaves a contractor's bank credit lines available for working capital requirements.

Years of experience mean we get it right, from start to finish

The Allianz Guarantee Team is familiar with the differing bond wordings and requirements of bond beneficiaries in Ireland.

Talk to us at Tender stage

Allianz is happy to review bond wordings at Tender stage, without charge, and will highlight unusual or inequitable requirements. We will also undertake to negotiate with the client, or their legal representatives, to agree wordings, if this is necessary.

Allianz can issue letters of intent and complete forms of undertaking at Tender stage, ensuring a compliant Tender is submitted.



Note: Allianz does not charge for issuing tender undertakings and only receive a premium when a bond is issued.

Additional Allianz Construction related products

Allianz is a premium provider of insurance and risk transfer solutions to the Irish construction industry. Using local specialists and capacity, Allianz can deal with all requirements of the local construction sector.

Areas of particular expertise:

Construction Liability

Provides protection to contractors in respect of various liabilities which can arise from construction activity. For example, liability which may arise in relation to employment contracts or other third parties with whom contractors come into contact.

Contractors All Risks

Protection can be provided in respect of contract work in progress. This can be a significant exposure depending on the nature and size of contract.

Latent Defects

Coverage for defects in a wide range of structures can be provided.





project a professional approach from the outset to the client.

Once a contractor has an established relationship and facility in place with Allianz, the processing of a bond application can usually be completed within days of receipt of the relevant information by Allianz.

In situations where a contractor is approaching Allianz for the first time, while the process will take a little longer it should still be possible to finalise matters in a timely manner, allowing for the project to commence on schedule and ensuring no delays in receipt of payment.

Allianz undertakes to respond to all new enquiries within two days although, generally, we are able to progress new applications on the day of receipt.

Information we will require from you

For a first time bond applicant we request that a new applicant proposal form be completed.

In addition to the proposal form, we also need information to enable us to assess the construction experience, financial position and capacity of the firm to carry out the expected workload.

This will ordinarily include a profile of the firm, in addition to:

- Audited Accounts (Two-years)
- A forecast of the current year's Trading and Management Accounts, if available
- Schedule of Work-in-Progress
- Bank Facilities
- Details of contracts completed in the previous five years
- Details of Key Personnel

We are happy to meet with clients at any stage to learn directly about their operations, specific plans, or additional requirements they may have from Allianz.

Service from Allianz

Once approved, Allianz offers contractors a bond facility to cover their expected bond requirements. Facilities are usually reviewed on an annual basis, but if required, consideration can be given to increasing limits within the annual period.

Once your application has been processed, Allianz will issue a facility letter confirming the approved facility limit and the terms and conditions applicable to the facility.

A facility can be put in place prior to a bond requirement arising which provides the contractor with peace of mind that a bond or bonds may be obtained as needed.



An Allianz bond facility provides contractors with certainty regarding the likely cost of the bond which can be incorporated in their tender ensuring that the cost of the bond is fully recovered from the client.

Benefits of an Allianz Bond facility

As part of the Allianz Group, Europe's leading insurance provider, Allianz has the capacity to provide large facilities. We are experienced in bonding joint ventures, contracts completed in consortia, and complicated projects such as design build and design build finance operate and maintain contracts.

By obtaining a bond from Allianz, a contractor can be assured that such a bond

The Allianz Guarantee Team

If you or one of your clients has a bonding requirement, or you would simply like to discuss Allianz providing bonding facilities to

meet future requirements, please contact any of the team members below. They will be happy to begin the process and explain our approach.

Guarantee

Phone: + 353 1 6133144. Fax: + 353 1 6609756
e-mail: guarantee@allianz.ie

Employees	Phone	e-mail
Andrew Hastings	+ 353 1 6133796	andrew.hastings@allianz.ie
Audrey Benson	+ 353 1 6133331	audrey.benson@allianz.ie
Liam O'Kelly	+ 353 1 6133362	liam.o'kelly@allianz.ie



The Allianz Group

Allianz p.l.c. is a company of the Allianz Group, Europe's leading global insurer and provider of financial services. The Group employs people in over 70 countries worldwide, each with their own in-depth experience of local markets and all focused on a common goal, local expertise and global presence.

Allianz in Ireland

Allianz p.l.c. is one of Ireland's largest indigenous multi-line general insurance companies which employs over 700 people and has offices located throughout the country. Integration with the Allianz Group gives Allianz unrivalled access to risk and product knowledge.

Allianz,
Allianz House, Elmpark,
Merrion Road, Dublin 4.
Telephone: (01) 613 31 44.
Fax: (01) 660 97 56.
Email info@allianz.ie Website www.allianz.ie

Registered in Ireland No 143108.
Registered offices: Allianz House, Elmpark, Merrion Road, Dublin 4.
Allianz p.l.c. is regulated by the Financial Regulator.

Allianz,
21 Linenhall Street,
Belfast, BT2 8AB.
Telephone: (028) 90 89 56 75
Fax: (028) 90 43 42 22
www.allianz-ni.co.uk

Allianz plc is registered in Ireland No 143108. Authorised by the Financial Regulator in Ireland and regulated by the Financial Services Authority for the conduct of UK general insurance business.