



1. Mode of Operation:        Sole Proprietor        Corporation        LLC        Partnership

**QUALIFYING AGENT (QA) - Person who tested (or designated if prior to exams) on behalf of licensed entity**

2. Please list your current Qualifying Agent(s): (See SSN disclosure statement at bottom of form)

_____	_____	_____
Qualifying Agent's Name	Title	SSN
_____	_____	_____
Qualifying Agent's Name	Title	SSN

*Should the Qualifying Agent (QA) leave, another must be designated within 90 days or license classification is considered invalid!*

**CORPORATION/LLC/PARTNERSHIP -        - Not Applicable for sole proprietor.**

3. Please list up to four (4) of the major owners/officers/partners approved on license and their title.

Corporation/LLC is registered with active status. If not, cannot renew. Check at: [http://tn.gov/sos/bus\\_svc/corporations.htm](http://tn.gov/sos/bus_svc/corporations.htm)

1. \_\_\_\_\_ 3. \_\_\_\_\_

2. \_\_\_\_\_ 4. \_\_\_\_\_

**ENVIRONMENTAL CONTRACTORS:        -Not Applicable** (Applies to Environmental Specialty classifications: S-A,B,C,D,E)

4.        HAVE        \*\*HAVE NOT complied with Rule 0680-1-.16, which requires environmental contractors to keep up-to-date with applicable state and federal requirements and to notify the Board of any citations

**LICENSE OPERATION CHANGES:        -Not Applicable** (If nothing is checked, "No" changes have been made; no new owners listed)

5.        \*\*Yes – The following has changed in the business operation:

- Name Change** – Fill out Name Change Forms- Available on our website (See Instruction Packet)
- Mode of Operation** - Fill out Transfer / Change in Mode of Operation Forms (TCA 62-6-111)
- Ownership** - May Require New Application – Need Details of Changes:        % (TCA 62-6-111)
- Merger** – New Application Required for New License (TCA 62-6-111)
- Bankruptcy** – New Application Required for New License (TCA 62-6-111(e)(2), 116(c); new app fee waived

*\*If there have been changes, please attach explanation and contact the Board for appropriate forms to complete, or obtain these from our website.*

**INSURANCE COVERAGE ATTACHED: (Response required to renew!)**

6. Workers Compensation Coverage:        No – \*\*Zero Employees and Exempt by PC1041;        Yes – Not Exempt  
\*\*Must attach page seven (7), Workers Compensation Questionnaire to confirm exemption, after 12/31/2009.

7. General Liability: Policy # \_\_\_\_\_ Coverage Amount: \$ \_\_\_\_\_ Exp.        /        /         
(Effective July 1, 2007, ALL contractors **must submit proof** of general liability insurance (see page 4 for additional information)

**8 – 10: CONVICTIONS/JUDGMENTS/DISCIPLINE:** (If nothing is checked, we assume you agree there are none.)

If an owner, qualifying agent or officer has felony convictions, since issuance of original license, please attach court documents with date of offense and probation release date. (If disclosed earlier, please mark; attachments do not need to be resubmitted.) If you have court judgments from contracting complaints, or disciplined from any government agency, attach explanation.

8. Convicted of a Felony:        No        \*\*Yes - Must attach explanation with court documents  
If yes, Date: \_\_\_\_\_;        - Felony disclosed earlier and on file;
9. Judgments:        No        \*\*Yes - Must attach information and explanation
10. Discipline:        No        \*\*Yes - Must attach information for revocation, citation, civil penalty, etc.

**11. PLEASE COMPLETE, SIGN AND NOTARIZE** License ID#: 000 \_\_\_\_\_

As Owner/Officer, I certify I am authorized to renew this license on behalf of any other owners approved for this license by the Board. Further, the above information with attached financial statement for the licensed entity is true and correct, to the best of my knowledge; attached is an explanation where required. I maintain the required workers compensation and general liability insurance. Per TCA § 62-6-118(h), after a notice of hearing and charges, the board may refuse to renew a license for lack of financial stability, submission of false evidence, improper, fraudulent or dishonest dealing, felony conviction in any state and pursuant T.C.A. § 56-1-313, if disciplined from another state. I am aware that ANY untrue statements are grounds for disciplinary action.

**X** \_\_\_\_\_  
**(OWNER/OFFICER SIGNATURE)** **(TITLE)** **\*(SSN)**  
 Affirmed, subscribed and witnessed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

My Commission Expires: \_\_\_\_\_

**-SEAL-**

Notary Public Signature: \_\_\_\_\_

\*Disclosure: Must provide Social Security Number (SSN) which is used for identification, will not be a part of public record. Authority: 42 USC 666.  
\*\*Attachments: Must attach additional information where applicable.

# Contractor's Balance Sheet

**License #:** \_\_\_\_\_

**License Name:** \_\_\_\_\_  
(The name on the balance sheet must match exactly with your license)

**Address** \_\_\_\_\_

**Mode of Operation** \_\_\_\_\_ Sole Proprietor \_\_\_\_\_ Corporation \_\_\_\_\_ LLC \_\_\_\_\_ Partnership

**Financial Statement as of** \_\_\_\_\_, 20\_\_\_\_\_  
(Month) (Day) (Year)

	Current Assets	Dollars Only	
	Cash on hand and in the Bank		
	Accounts Receivable (Within 1 year)		
	Trade		
	Employees		
	Other: (Itemize)		
	Costs in excess of billings on uncompleted contracts		
	Marketable Securities, Stocks, and Bonds		
	Inventories- Materials or Houses Built or Developed Lots for Sale		
	Retirement Plans (IRA; 401K; Profit Sharing) *Generally Only for Personal Financials		
	Cash Surrender Value of Life Insurance (Not Face Value)		
	Prepaid Expenses (Insurance, Taxes, Interest, Rents, Other)		
	Other: (Itemize)		
<b>A</b>	<b>Total Current Assets</b>		
	<b>Non-Current Assets</b>		
	Accounts Receivable (amounts not due within 1 year)		
	Related Party Receivables		
	Long Term Investments		
	Land		
	Depreciable Assets		
	Buildings		
	Equipment		
	Tools		
	Vehicles		
	Other: (Itemize)		
<b>B</b>	<b>Total Assets</b>		
	<b>Current Liabilities</b>		
	Credit Cards (Balance)		
	Accounts Payable (Amount Due Within 1 Year)		
	Accrued Salaries and Wages		
	Billings in excess of costs (uncompleted contracts)		
	Equipment Encumbrances (Amount Due Within 1 year)		
	Real Estate Encumbrances (Amount Due Within 1 year)		
	Line of Credit (Balance)		
	Other: (Itemize)		
<b>C</b>	<b>Total Current Liabilities</b>		
	<b>Long Term Liabilities</b>		
	Accounts Payable (Amount Due After 1 Year)		
	Equipment Encumbrances (Amount Due After 1 year)		
	Real Estate Encumbrances (Amount Due After 1 year)		
	Stockholder Payable		
	Other: (Itemize)		
<b>D</b>	<b>Total Liabilities</b>		
<b>E</b>	<b>Net Worth</b>		
<b>D + E</b>	<b>Total Liabilities and Net Worth</b>		

Working Capital = A - C = \_\_\_\_\_

Net Worth = B - D = \_\_\_\_\_  
(Same as in line E)

## GENERAL LIABILITY INSURANCE INFORMATION

Effective July 1, 2007, a new law requires all contractors to obtain General Liability Insurance in order to renew or apply for a contractor's or home improvement license. In addition, workers compensation insurance is also required.

In order to comply with the new legislation, the Board has established the following as a "minimum" amount of coverage to obtain and a rulemaking will be held to discuss these amounts. Please check with your insurance provider, as they may advise to apply for more or additional coverage, based upon your individual needs and the amount of projects you perform.

<u>Contractor's License Monetary Limit</u>	<u>Minimum General Liability Insurance</u>
Up to \$500,000	\$100,000
\$500,001 to \$1,500,000	\$500,000
\$1,500,001 to Unlimited	\$1,000,000

The following is from legislation SB1784, Public Chapter 130:

### **AN ACT to amend Tennessee Code Annotated, Title 62, Chapter 37 and Title 62, Chapter 6, relative to contractors.**

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 62-6-111(a)(1), is amended by inserting the following sentence at the end of that subdivision: "Any application for initial licensure or for renewal of licensure also shall be accompanied by an affidavit affirming that the applicant maintains general liability insurance and workers' compensation insurance *{according to Department of Labor and Workforce law, Worker's Compensation is not required if there are "No" employees}* and specifying the amount of such insurance as well as any other information the board may require."

#### **Requirements for Proof of Insurance-**

The Board requests a **certificate of insurance** (available from your insurance agency) which lists a **policy number** (not binder or account number), a **beginning and expiration date**, and **limits** of the insurance. The **name on the license** must match the **name in the insured box**. **The Board should be listed as the certificate holder.**

#### **Limits required to be listed on Certificate of insurance**

- Each occurrence (this value must comply with minimum requirements listed above)
- Damage to Rented Premises (each occurrence)
- Medical Expense (any one person)
- Personal & Adv Injury
- General Aggregate
- Products- comp/op agg

#### **Submitting Proof of Insurance**

Note: Do not send a "Certificate of Insurance" loosely or separate from the renewal, unless, you provide a copy of our cover sheet: "**Notice of Insurance**" (may be obtained from our website). This will ensure it is properly matched to the correct pending renewal for timely issuance.

**GUARANTY AGREEMENT**  
*(Required with supplemental financial statements to increase working capital or net worth  
or by parent companies indemnifying subsidiaries)*

I/we, the undersigned person(s), natural or corporate, do hereby pledge and agree to guarantee the debts and obligations of the within named contractor for all debts and obligations arising out of the contracting activities of the Contractor as defined by TENNESSEE CODE ANNOTATED, section 62-6-101.

I/we the undersigned Guarantors agree and contract to pay any and all debts and obligations of said Contractor as provided for above should they fail and refuse to pay and/or default on same.

I/we the undersigned Guarantors, agree to furnish and supply the Board with any and all financial reports, statements and information to which they may request in order to provide evidence of my/our financial security and stability.

I/we understand and agree that where the words "indemnities" appear in Rule #0680-1-.13 of the rules of the Board, it shall be in reference to this document, its title and wording to the contrary.

This document and the obligation undertaken shall expire and shall become null and void upon expiration of any license granted the Contractor by the Board or upon joint request, in writing, of the undersigned Guarantors and the Contractor, with the approval of the Board, provided, however, that any and all debts and obligations for, or arising out of work in process, upon the expiration, nullification and/or cancellation of this agreement, shall be covered and the Guarantor(s) herein shall remain liable for same.

This **GUARANTY AGREEMENT** is being executed at the request of: **License ID# 000** \_\_\_\_\_

\_\_\_\_\_  
**(NAME AS ON LICENSE)**

the contractor to which this document is applicable for the express purpose of providing additional financial security and stability to, and for, said Contractor in order that they may obtain a license to engage in contracting in the State of Tennessee, Board for Licensing Contractors.

\* \* \*

<p>_____ Name of Guarantor</p> <p>Name: _____</p> <p>Title: _____</p> <p>_____ *Signature of Corporate Official or Personal Guarantor</p> <p>_____ Signature of Additional Personal Guarantor or Spouse</p> <p>*As a corporate official, I am fully authorized to bind and obligate corporation to the terms and conditions of this document as stated herein.</p>	<p style="text-align: center;"><b>Please Check the Applicable Line</b></p> <p><input type="checkbox"/> Corporate Guaranty – Must be signed by Authorized Corporate Official</p> <p><input type="checkbox"/> Personal Guaranty – Must be signed by All Persons Named on Personal Financial Statement</p>
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**NOTARIZE**  
Affirmed/witnessed and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public Signature My Commission Expires: \_\_\_\_\_

- Seal -

\*Corporate financial statements submitted to increase working capital and net worth of licensee, must complete corporate section.

\*\* Personal financial statements submitted, the personal guarantor(s) sign and signature of all persons named on financial statement, such as SPOUSE, is required.

**LINE OF CREDIT**

TO BE WRITTEN ON BANK, SAVINGS & LOAN LETTERHEAD  
(May be used to supplement Working Capital)

**DATE**

**TO: CONTRACTOR LICENSED NAME (Individual, Corporation, Partnership or LLC)**  
**Address**  
**City, State and Zip**

**RE: Contractor's License ID# 000 \_\_\_\_\_**

**Dear Contractor:**

You have requested of (Name of Bank, Savings & Loan (FDIC approved)) to establish a line of credit which will be available to (Name as on License) for use in conducting the contracting business for which a license is being sought from the State of Tennessee Board for Licensing Contractors.

We hereby establish a line of credit for these purposes in the amount of \$(Dollar Amount), which will be maintained for a period of one (1) year from the date of license issuance, subject to no adverse change in your financial condition.

As a condition of this arrangement, it is our understanding you will inform us and the Board for Licensing Contractors of any significant change(s) in your financial condition during the term of this commitment.

We the undersigned will endeavor to notify the Board for Licensing Contractors should we become aware of any significant change(s) in financial conditions of the above named applicant.

The undersigned hereby agrees to notify the Board for Licensing Contractors should we withdraw and/or eliminate the above named applicant's credit line.

By \_\_\_\_\_  
Name Title

**SAMPLE LETTER -- FOR BANK USE ONLY**

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Contractor Instructions

- To increase the working capital, a contractor may take this **SAMPLE** "Line of Credit" (**LOC**) form to their bank. The Bank may obtain this format in a non-pdf "Word" document by emailing us at: [Contractor.Renewal@tn.gov](mailto:Contractor.Renewal@tn.gov)
- The LOC does not increase the net worth. (DO NOT add to Financial Statement!)
- If a contractor's working capital is negative, only 50% of the LOC's value is applied
- The LOC is for the contractor's use and may be utilized at any time by the contractor
- This **format's exact wording must be used** in order for the Board to consider accepting
- Original LOC document must be submitted; copies are not acceptable
- Name on LOC must be in the **EXACT NAME** as on the license and financial statement
- Lending institution must be a bank, savings and loan, which is FDIC approved

## **Workers Compensation Insurance Coverage Determination Questionnaire (Effective 12/31/2009)**

The following questionnaire has been developed to assist licensee applicants to determine whether they are exempt from submitting proof of coverage:

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I. If you check ALL of the following, you are considered **EXEMPT** from submitting proof of insurance (see PC 1041, amendment to T.C.A. § 50-6-103):

- No Employees (Includes Qualifying Agents)
  - Sole Proprietor, Partnership or Limited Liability Company (LLC)
  - Contracts directly with the owner; acts as a prime (general) contractor; never acts as a subcontractor.
- 

II. If you check ONE of the following, you are **NOT EXEMPT** and must submit proof of insurance:

- One or More Employees
  - Acts as a Subcontractor - Contract's with the prime (*general*) contractor.
  - Corporation (Note: Officers must always carry workers' compensation insurance on the corporation. Corporate officers may file the I-6 Form with the Department of Labor and Workforce, to be excluded from the policy; but not from having to carry workers' compensation insurance. Per the law, corporate officers who reject the coverage, does not exempt the corporation; the corporation is still included in T.C.A. 50-6-103(b). Example, the President makes the first employee.)
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III. If you have checked with the Tennessee Department of Labor and Workforce Development and they have determined you to be exempt, please explain:

- Exempt Explanation:

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### **Requirements for Proof of Insurance Format Submitted to the Board**

The Board requests a certificate of insurance (available from your insurance agency) which lists a policy number (not binder or account number); a beginning and expiration date; and limits of the insurance (for general liability). The name on the license must match the name in the "insured box". The Board should be listed as the certificate holder.

- "Producer" section must include the name of the insurance agency, and telephone number;
  - "Insured" section should list the contractor's name as licensed;
  - "Insurer" should list the name of the insurance company;
  - To Be Determined" or "TBD" is not acceptable;
  - Policy effective and expiration date listed;
  - "Description of Operations" portion must list: "State of Tennessee Contractors License";
  - "Certificate Holder" section should list the "Board for Licensing Contractors" with address; and
  - "Cancellation Notice" section must be completed with at least **10 days** notice to be given.
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### **PC 1041 - Information from Department of Labor and Workforce Development, Division of Workers' Compensation Division**

The new law, Public Chapter 1041 (2008), requires everyone in the construction industry to have workers' compensation coverage. The new law becomes effective December 31, 2009.

- Owners are required to carry workers compensation on all subcontractors, workers, and employees who work for them and on themselves.
- Exception--a sole proprietor or partner (with no subcontractors, workers, or employees) being paid directly by a residential property owner.

Workers' Compensation Division website is at: <http://www.state.tn.us/labor-wfd/wcomp.html>

# CAUTION

\*\*\*\*\*Follow the Checklist on this page\*\*\*\*\*

Failure to do so may cause unnecessary delays in renewing your license

Do not contract or obtain permits until your license is renewed; there is not a grace period

1.  Enclose a **check** for the appropriate amount. **Make check payable to Contractor's Board.**
  - \*Renewal fee is \$200 for a two year period.
  - \*Renewal is **due 30 days prior to expiration.**
  - \*Late fees of **\$20 per month** beginning the day after expiration date; not due date.  
(Note: Late renewals will indicate a "Delinquent" status until the renewal is issued (not received).
  - \*If hand-delivering in lieu of mailing, the Board cannot accept fees at their office.
  
2.  **Contractor's affidavit – Page 2**
  - \*All questions must be answered.
  - \*Must be **notarized** with a visible **notary seal.** (If your state does not use a "seal" please make a note).
  
3.  **Proof of Insurance-** General Liability is required for all renewals including "Spec Builder" licenses.
  - \*Attach a **Certificate of Insurance-** You may obtain this by contacting your insurance agency
  - \*Certificate must show **Policy number** (Not Binder or Account Number), **Beginning and Expiration dates, Limits of Insurance, Name as on License** must appear in the Insured box.  
The **Board should be listed as the certificate holder.**
  - \*Attach a **Certificate of Insurance for Worker's Compensation Coverage -OR- Worker's Compensation Questionnaire if Exempt**
  
4.  **Current Financial Statement -** (No older than 12-14 months) A financial statement is required for all renewals except "Spec Builder" licenses. (If you have a "Spec Builder" license your **wall certificate** will say **Spec Builder** and not **Contractor.**)  
**See Pages 4 -6 for the formula for calculating Working Capital and Net worth.**
  - \*If your **Monetary Limit is \$1,500,000 or less-** you may use the enclosed form (page 3) or submit your own.
  - \*If your **Monetary Limit is over \$1,500,000-** A **reviewed or audited** financial statement is required. Must include accountants report, balance sheet, and notes to financial statement.
  - \*The **Name on the Financial Statement** should be **exactly** the same as the **name on the license.**
  - \*The Financial statement should have a **date** which includes the **month, day, and year.**

**\*\*The above items are the minimum requirements for Renewal\*\***

**The following are requirements if your financial statement does not support your monetary limit.**
  
5.  **Guaranty Agreement -** (Page 5) This is needed if you are submitting a Financial statement in addition to the contractor's financial statement. For example a personal financial statement or parent company financial statement to help support the monetary limit. Financial statements are confidential; guaranty is not.
  - \*Please ensure the form is filled out in its entirety.
  - \*If submitting a **personal financial statement**, please **check the appropriate line.**
  - \*If submitting a **company financial statement**, please **check the appropriate line**
  - \*Please place the **Name as it appears on the license on the top line.**
  - \*This form must be **notarized** with a **visible notary seal.**
  
6.  **Line of Credit-** (Page 6) This is needed if the working capital is low on your financial statement. The line of credit (LOC) will be added to the contractor's working capital to increase the total working capital. If contractor's financial statement shows negative working capital the line of credit will only be accepted at 50% of its value.
  - \* Line of Credit format should not be altered in any way. (See Page 6 for Format)
  - \* Must be in exact name as license.
  - \* Must submit the original Line of Credit letter from bank (copies not accepted).

Please make a copy of the renewal form for your record and mail the form with fees to the address on the first page.

**You may check the website for license roster search for updates at: <http://licsrch.state.tn.us/>**

**Revisions should not be submitted with Renewal. Please mail these separately. You should be licensed in the same manner as you operate. If you operate as a corporation, L.L.C., or partnership, please ensure you are licensed in the same manner. If you need to switch to a different mode of operation fill out the transfer mode of operation form available on our website or call**

our office for the appropriate forms. Revisions require Board approval, therefore, best to renew as licensed first.