QUESTIONS TO ASK YOUR SURETY UNDERWRITER AND BOND PRODUCER

• What value in the way of services and advice will you provide me?
• How can you help me grow in a disciplined way?
• What is your success record? What percentage does the construction contract bond business represent in the overall property and casualty operation?
• Do you have sufficient staff to handle my needs?
• How much experience does the underwriter have in underwriting construction firms?
• What primary market segments does the surety company handle?
• What are the surety’s financial results over time?
• Are you licensed in the proper jurisdiction?
• Is the surety A.M. Best-rated or listed as an approved surety on the U.S. Department of the Treasury’s Circular 570: Federal Treasury Listing of Qualified Sureties?
• Is the underwriting authority local and sufficient to meet my day-to-day needs?
• What individual size bond and total aggregate are right for me?
• How does the surety perceive my risk profile? What are the surety’s expectations?
• Does the surety have a professional claims department or does it outsource its claims to third parties?
• Do you understand and support my business plan?

ATTRIBUTES OF A PROFESSIONAL SURETY BOND PRODUCER

• Licensed, professional and knowledgeable in surety
• Reputation for integrity and respect
• Personal interest in contractors’ success
• Offers sound business advice
• Maintains communication between the contractor and the surety
• Reviews financial documents
• Reviews completed contracts, current contracts and proposed bids
• Builds solid relationships with underwriters
• Understands the construction industry
• Experienced in strategic planning
• Actively involved in construction and surety industry associations
• Advises how to increase bonding capacity
• Offers new ideas and business solutions
• Understands compensation and payment terms
• Ready resource for referrals to other professional service providers, such as CPAs, lenders and attorneys.

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