

THE SURETY RELATIONSHIP

BY MARLA McINTYRE

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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