

# Executive Insights

**In what ways do surety professionals provide market intelligence to their contractor and subcontractor clients?**

**MIKE BOND**  
HEAD OF SURETY

*Zurich North America*



Well-managed contractors have long realized that working with a strong surety offers strategic advantages in the marketplace. Surety professionals

deal with many customers, support projects of all sizes, and can offer their clients insights that often make the difference between success or failure.

Surety professionals can help contractors find work to help fill their backlog. For example, through an existing customer network or professional association, the surety can recommend a strong trade contractor to a general contractor. These recommendations are often a “win-win,” as the general contractor is looking for reputable subcontractors that can complete work successfully. The trade contractor then establishes a working relationship with a strong general contractor that may need its help on other jobs.

Another important area is localized construction industry knowledge. Each jurisdiction presents contractors with challenges in areas such as contract language, demanding owners and onerous bond forms. Surety professionals work with these issues on a daily basis and help their clients avoid unnecessary risk.

**ROBERT THOMAS**  
PRESIDENT

*Hanover Surety*



Typically, contractors are not experts in surety bonds or insurance coverage, so they turn to their local independent agent

to help them find the right surety provider for their business.

Agents who specialize in surety spend a significant amount of time staying on top of key trends, understanding the implications of risks to contractors and their bonding needs, working with their surety carrier partners, and then offering advice to their contractor customers. These agents provide value through their expertise and professional business relationships with their contractor customers.

The best surety carriers offer separate risk mitigation units that work hand in hand with contractors' agents and even their CPAs to ensure any surety risks are addressed before claims are made. Strong agents and carriers also can work together to help contractors through government and legal affairs.

Together, agents and carriers offer experience and market insight that is critical for helping contractors manage and grow their businesses.

**JOSH PENWELL**  
VICE PRESIDENT, CONTRACT UNDERWRITING



*Merchants Bonding Company*

Construction is simply a risky business. Properly managing the risk on a construction project is critical

for the project to be completed successfully. Surety underwriters are trained to evaluate the risks associated with various contractors. Surety underwriters also will determine the appropriate levels of projects and programs that a contractor should undertake.

Surety companies have portfolios of contractor clients that typically range from general contractors to specialty trade subcontractors. The size of these companies also can range from small to large. Surety companies have a tremendous amount of historical data and can use analytics to provide benchmarking for their contractor clients.

Surety underwriters also are trained to review contracts and can help negotiate unfavorable terms and conditions. Surety companies will be able to assist in other ways such as referrals for a certified public accountant or a banker. Contractors will experience a much higher likelihood of success by teaming up with a professional underwriter and surety agent.

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PEOPLE  
ON THE  
GROUND  
WHERE YOU  
NEED THEM.**



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