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Construction EXECUTIVE

Executive Insights

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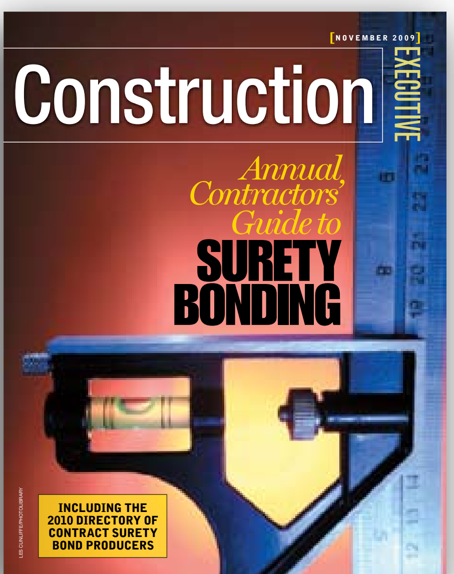

BOND PRODUCERS

MIKE SPECHT
Vice President
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Surety partners can help contractors maximize their pipeline of potential projects and better understand their financial health, which is even more critical in today's economic environment.

Sureties have more than 100 years of experience prequalifying contractors and establishing financial benchmarks used in the underwriting process. Sureties compare their customers' liquidity, leverage, and activity and profitability ratios to benchmarks to help determine how much surety to extend. Contractors benefit by comparing their key ratios to the surety's stringent benchmarks.

Being prequalified for bonding allows contractors to pursue public projects, as well as private jobs for which the owner or lender has required the protection of a bond. For subcontractors, establishing bonding greatly enhances their ability to meet the general contractor's prequalification standards and be selected for the project team. During an economic downturn, no one can afford to be handcuffed by an inability to pursue bonded projects.

The ability to obtain contract surety bonds opens doors to projects that nonbonded contractors can't pursue. In addition, going through the surety's prequalification process helps contractors better understand their financial health.