



Surety claims solutions

Any organization dealing with the complexities of surety claims is acutely aware of the importance of an experienced partner. Experts on surety claims must understand the nuances between traditional insurance and the three-party agreements involved in surety contracts – unlike insurance policies, bonds cannot be cancelled once arranged. Many public projects require bonds to be provided in order to enter into contractual agreements. Is your organization well-aligned with the right experts for these types of projects?

Right resources, right expertise

Surety claims can be costly, complex and can compromise an organization's reputation. Sedgwick brings the right resources and expertise to support the challenges of surety claims and to make the claims process as smooth as possible. With a team of licensed claims specialists handling surety bond claims in the North American market – many of whom have legal backgrounds and extensive experience managing surety losses – we provide reassurance on matters of compliance and swiftly move to resolve claims in the most efficient way possible. Our broad footprint offers scale to our clients combined with local knowledge of laws and regulations critical for the effective management of surety claims.

Our practice manages surety claims across three primary categories: construction surety, commercial bonds and fidelity bonds.

Construction surety

- **Bid bonds**

Guaranteeing that bids made for contracts are genuine and are capable of being delivered.

Claims examples include:

- Withdrawals after successful bids
- Advance notice that a party is unable to deliver the project after an accepted bid

- **Performance bonds**

Ensuring contractors deliver projects in accordance with the terms and conditions of the construction contract.

Claims examples include:

- Project completion delays
- Poor quality work that is required to be remedied or redone
- Failure to complete work to required building code standards
- Insolvency of a contractor

- **Payment bonds**

Guaranteeing payments for the supply of services by subcontractors, suppliers and laborers.

Claims examples include:

- Unpaid invoices for the provision of labor
- Incorrect payments for delivery of services
- Insolvency of a principal contractor

- **Maintenance bonds**

Warrants completed projects for a specified time against defects and faults in workmanship.

Claims examples include:

- Defective works identified during the defect discovery period



Commercial bonds

- **License/permit bonds**

Bonds that ensure businesses comply with the rules and regulations of the profession undertaken and protect clients from negligent activity. Other examples include mortgage broker bonds.

- **Dealer bonds**

For sellers of motor vehicles and motorcycles to ensure compliance with state laws and to provide redress for consumers who may be impacted by breaches of regulations.

- **Notary public bonds**

Protects the public from the financial consequences of negligent services from a notary public.

- **Customs bonds**

To ensure that importers comply with U.S. Customs and Border Protection regulations.

- **Plumber contractor bonds**

Legally required to trade in Illinois, Iowa, Minnesota, New Jersey and Washington D.C., this typically covers the cost of faulty services and materials.

- **Home improvement contractor bonds**

Different to construction bonds as they relate to work completed by contractors specifically on residential land for renovations projects and/or construction works.

Fidelity bonds

Fidelity bonds protect a company against employee theft and/or dishonesty. Bonds can protect either the business

itself or customers (and for this reason is considered a blanket bond). Some fidelity bonds only cover certain employees. These types of policies are closer to traditional insurance policies than other types of bonds.

Why Sedgwick?

Sedgwick's surety claims team has the legal knowledge and experience to quickly understand the issues involving surety claims and to ensure that claims are processed with precision and speed. Our team undertakes detailed investigations to establish the nature of the claim against the surety bond and to determine whether the requirements of the bond have been met or breached – to quickly advance the claim to its conclusion. We are also able to facilitate settlements and subrogation opportunities as part of the claims process.

Sedgwick delivers customized, performance-based professional liability claims and risk management solutions. Where you see risk, we see an opportunity to provide highly innovative services to reduce costs, maximize resources, and achieve a financially sound professional liability claims management program. We have helped clients answer virtually every question there is about professional liability. As a result, our clients experience excellent outcomes and low overall claim costs.

To learn more about Sedgwick's surety claims solutions, contact:

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