



Commercial contract surety bonds

SOLUTIONS FOR ALL YOUR CLIENTS' NEEDS

Commercial contract bonds are a critical component of your client's total insurance program.

All types of commercial accounts need contract bonds

Commercial contract bonds are performance bonds in which the surety (Travelers) guarantees to the obligee (usually a public entity such as federal, state or local government or a private owner) that the principal (client) will perform its contractual obligations per the agreed upon terms and conditions in the underlying contract.

Most people think of construction (sticks and bricks) when contract bonds are mentioned, however, all types of commercial accounts need contract bonds. We classify these businesses as commercial contractors. The most common commercial contractors are supply contractors such as manufacturers, wholesalers or retailers who enter into contracts to supply and/ or install specific products, or service contractors whose primary business is to perform specific services for another entity.

Benefit of offering commercial contract surety bonds

By addressing your client's bonding needs, you are not only providing a valuable product and service, but are also protecting your client relationship in a very competitive environment. You don't need to be a surety expert to assist them because our knowledgeable and experienced underwriters will help you through the entire underwriting process!

The Travelers advantage

It can be difficult to find a surety that understands the unique structures of commercial contractors, the complex and various contract provisions, the diverse industries and the different financial statements involved. Our commercial contract underwriters write bonds for clients that traditional construction contract underwriters often turn away.

- We understand the needs of middle market and smaller companies, and we can provide substantial capacity for large commercial accounts.
- We have a dedicated commercial surety business segment that specializes in bonds for non-construction clients.
- We have locations nationwide to assist in bond execution and procurement of bond forms, and we are experienced in the placement of international bonds.
- Our rating plan provides well-managed accounts with competitive rates based on their credit quality, not solely on the size of their balance sheet.
- Our dedicated claim managers are recognized as the best in the industry and work directly with you and your customers.
- Top rating agencies have consistently provided our primary underwriting company, Travelers Casualty and Surety Company of America, with high marks for financial strength.

Types of contract surety bonds

Bid bond

Affords protection to the obligee in the event the successful bidder does not enter into a contract and does not provide the required surety bonds or other security.

Litigation bond

Protects the obligee if an unsuccessful bidder files suit against the obligee challenging the award of the contract. If the challenger does not prevail and it is found the lawsuit was frivolous, brought in bad faith or on unreasonable grounds, the obligee may recover damages and expenses resulting from the suit.

Maintenance bond

Maintenance bonds for commercial contractors may either guarantee the ongoing servicing of equipment or facilities during the duration of a contract, or may guarantee against defective workmanship or materials.

Performance bond

Provides protection to the obligee if the principal defaults on its obligations under the bonded contract.

Payment bond

Guarantees that the principal will pay their subcontractors, labor and material costs associated with a bonded contract.

Supply bond

Guarantees performance by the principal to furnish equipment, supplies or materials to the obligee.

Who needs commercial contract bonds?

Airport retailers IT contractors Steel suppliers

Audio visual Janitorial services Temporary personnel
College bookstores Laundry services Towing services

Concrete suppliers Manufacturers Transportation services

Educational services Military suppliers Trash hauling and recycling

Elevator maintenance Moving services Tree trimming services

Facilities management Office supply services Uniform suppliers

Facilities management Office supply services Uniform suppliers

Food suppliers Parking services Window cleaning

Fuel oil suppliers Printing services ... and many others

Guard and security School bus transporters

Highway assistance Solar equipment manufacturers



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