



Schedule Sensitive Subcontractor Bond

PROVIDING INNOVATIVE SOLUTIONS FOR CONTRACTORS

Travelers knows that in addition to selecting the right subcontractors, resolving subcontractor disputes quickly is crucial to the success of any construction project – prompt dispute resolution can save the schedule, the budget and your reputation. To address this, we have created the Schedule Sensitive Subcontractor Bond which sets a new standard of responsiveness for sureties.

What's different about this Subcontractor Performance Bond?

The Schedule Sensitive Subcontractor Bond minimizes project disruption and helps maintain the schedule by allowing work to continue during a dispute. Additional benefits include the following:

- An accelerated time frame for surety response, as quickly as 30 days.
- Direct access to your project's dedicated claim professional
- Allows you to keep the project moving during the claim investigation period
- Allowance for penal sum increases up to 10% of the contract price without requiring surety consent
- Coverage of warranties as specified in the Subcontract



Did You Know?

“The most time-tested form of prequalifying subcontractors is really their ability to provide a subcontractor bond.” Tom Kunkel, President, Bond and Specialty Insurance, Travelers.*

Subcontractor qualification is not a one-time event. It must be done continuously to be valuable.**

US Construction spending is expected to exceed \$1.33 Trillion in 2018***

*independentagent.com
**Construction Executive
***U.S. Census Bureau

Backed by Travelers

For more than 100 years, Travelers has been a leader in the surety industry. We have over 50 locations throughout North America, staffed with over 200 dedicated construction underwriters and over 50 surety claim professionals.

- Largest writer of surety bonds in North America
- Combined Treasury listing in excess of \$2 billion – the largest in the surety industry
- A.M. Best* rating of A++ (superior) for financial strength

Whether you're choosing bonds for the first time, or already using them in your risk management program, Travelers can provide you with innovative surety tools for your project.

Travelers is in the business of helping our contractors succeed.

5 takeaways for general contractors

1. Subcontractor performance bonds provide broad protection for general contractors as a means of mitigating the losses associated with a subcontractor default.
2. Not all bond forms are created equal.
3. General contractors should take an active role in the preparation and/or selection of their subcontractors' bond forms.
4. General contractors should be familiar with and understand the terms of their subcontractors' bond forms before an issue arises.
5. A Subcontractor Performance Bond provides general contractors with a more streamlined and definitive claim handling process in the event of a subcontractor default than do many of the traditional bond forms on the market today.



*A.M. Best's rating of A++ applies to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best and other rating services visit www.travelers.com. Ratings listed herein are as of July 22, 2016, are used with permission, and are subject to changes by the rating services. For the latest rating, access www.ambest.com



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