MontRidge
Insurance Services

SURETY BOND READINESS CHECKLIST

A Practical Self-Assessment for Contractors, Developers & Businesses Seeking Contract or Commercial Surety Bonds

Developed by Montridge Insurance Services

Estimated Completion Time: Approximately 5 Minutes

Why This Checklist?

Obtaining surety bonds is about much more than simply completing an application. Sureties evaluate the overall financial strength, operational experience, management capability, and project history of your business before extending bonding capacity.

This checklist helps identify areas that may deserve attention before applying for contract bonds, bid bonds, performance bonds, payment bonds, license bonds, or other commercial surety bonds.

There are no right or wrong answers.

SECTION 1 — BUSINESS READINESS

- ☐ Our company has been operating for at least two years.
- ☐ Our ownership structure is clearly documented.
- ☐ Our financial statements are current.
- ☐ We maintain organized accounting records.

SECTION 2 — EXPERIENCE

- ☐ We have successfully completed projects similar in size.
- ☐ Our management team has significant industry experience.
- ☐ We have qualified project supervisors.
- ☐ We understand our contractual obligations.

SECTION 3 — FINANCIAL STRENGTH

- ☐ We prepare annual financial statements.
- ☐ We understand our working capital position.
- ☐ We maintain adequate cash flow.
- ☐ We have established banking relationships.
- ☐ Our CPA prepares or reviews our financial statements.

SECTION 4 — RISK MANAGEMENT

- ☐ We maintain General Liability Insurance.
- ☐ We carry Workers Compensation Insurance.
- ☐ We maintain Commercial Auto Insurance.
- ☐ We review insurance annually.

SECTION 5 — PROJECT MANAGEMENT

- [ ] We carefully estimate project costs.
- [ ] We monitor job profitability.
- [ ] We document change orders.
- [ ] We maintain written contracts.
- [ ] We monitor subcontractor performance.

SECTION 6 — SAFETY

- [ ] We have a written safety program.
- [ ] Employees receive regular safety training.
- [ ] Incidents are documented promptly.
- [ ] OSHA requirements are followed.

SECTION 7 — BONDING HISTORY

- [ ] We have obtained bonds previously.
- [ ] We have never experienced a bond claim.
- [ ] We have never defaulted on a project.
- [ ] We have strong references from owners.

SECTION 8 — FUTURE GROWTH

- [ ] We understand our current bonding capacity.
- [ ] We plan growth responsibly.
- [ ] We discuss larger projects with our surety before bidding.
- [ ] We maintain long-term relationships with our advisors.

NEXT STEPS

This checklist is intended to help identify potential areas for discussion before applying for surety credit.

If you answered "No" or "Not Sure" to several questions, it may be beneficial to review your financial position, project management practices, insurance program, and bonding strategy with a Commercial Risk Advisor before pursuing larger bonding opportunities.

WOULD YOU LIKE TO SPEAK WITH A COMMERCIAL RISK ADVISOR?

Please select one:

- ☐ I would like a Complimentary Surety Bond Consultation.
- ☐ I would like help increasing my bonding capacity.
- ☐ Please contact me regarding Contract Surety Bonds.
- ☐ Please send me future Commercial Risk Management resources.

CONTACT INFORMATION

Name

Company

Title

Email

Phone

Preferred Contact Method

☐ Phone ☐ Email ☐ Either

Additional Comments

IMPORTANT DISCLOSURE

This checklist is provided by Montridge Insurance Services for general educational purposes only. Completion of this checklist does not guarantee approval for any surety bond, establish bonding capacity, or constitute financial, legal, accounting, or underwriting advice. Surety underwriting decisions are made by individual surety companies based upon numerous factors including financial strength, experience, project characteristics, indemnity, and underwriting guidelines.