



HOW TO GET A SURETY BOND: A STEP-BY-STEP CHECKLIST

When a contract requires you to obtain a surety bond, it's important to seek one out ASAP. You won't be able to formalize the contract or proceed with any work until you can prove you have a bond that meets all the requirements.

Follow this step-by-step checklist:

STUDY THE TERMS

When you acquire a surety bond, you're agreeing to meet all the performance requirements outlined in the work contract. Review these requirements closely to ensure you can perform as required and, by doing so, avoid any claims against the bond.

FIND A SURETY

You will need to find a surety bond provider that can issue you a bond in the state where you're working. Vet your options carefully. Some bond providers offer speedy approvals and helpful service; others don't. Find someone you trust to meet all your needs, now and anytime in the future you need a surety bond.

SUBMIT YOUR APPLICATION

The standard bond application will ask for information about your background, finances, and business interests. You may also need to submit additional documentation. Underwriters at the surety will review these materials to evaluate your credit worthiness, then decide whether to approve the application and how much to charge for the bond.

REVIEW THE QUOTE

If you're approved, the surety will give you a quote for the bond premium (the amount you pay to activate the bond). Read through the quote in full so that you understand exactly what you're committing to by signing the Indemnity Agreement to indemnify the surety.

PAY THE PREMIUM

You will pay the initial year's premium in one lump sum. Afterward, the surety will provide you with a copy of the surety bond showing you that you have an active bond backed by the surety. Depending on the type of bond, you will likely need to renew it after one year, which involves paying renewal premium, and in some cases providing updated information to ensure compliance.