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AN OFFICIAL PUBLICATION OF
THE NATIONAL ASSOCIATION OF
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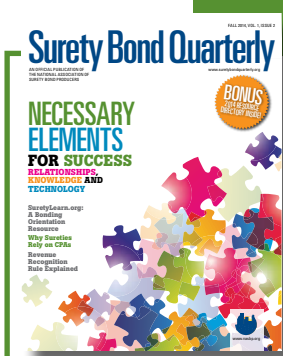
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ON THE COVER

Fall 2014

Success is like a puzzle—if you're missing key pieces, your vision won't come together. This issue of *Surety Bond Quarterly* speaks to those pieces, zeroing in on the interplay of relationships, knowledge and technology that make success possible. Speaking of relationships, this issue contains a bonus 2014 Resource Directory to ensure you're connected to the right people when you need them. Here's to piecing together your success!

View this and past issues online anytime at www.suretybondquarterly.org.



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From the CEO

Successful construction relationships require the right relationships!



Many might agree that it is a notable human tendency to grapple with complex systems through simplification. Simplification allows us to comprehend and to explain more readily to others. The fear quotient rises when we confront matters that appear overly complex; they become daunting unless we can segment issues into manageable elements. Each issue then can be addressed by a party or parties with the proper expertise, whether the issue involves the interplay of management practices, technology use, risk allocation, financial and accounting systems, business succession or a host of other important and related matters.

Construction businesses are complex endeavors requiring special expertise and the right association of specialty consultants; long-term success simply is not likely unless these businesses have developed professional relationships that will nurture their progress and growth and provide them with appropriate guidance and services. Bond producers often are the first relationship to which an emerging business will turn to receive referrals for legal, accounting, and banking relationships. In this regard, bond producers function as “gateway” relationships for those businesses pursuing bonded projects and needing the services of other professionals to achieve surety credit. Among those vital professional relationships is the relationship with a knowledgeable certified public accountant.

The importance of certified public accountants to the surety bonding process spurred the initiation of the Associates category of membership in NASBP, and Associates have become regular sponsors of and contributors to NASBP meetings and educational offerings. A listing of NASBP Associates is included with listings of NASBP Members and of Affiliates in the Resources Directory located at the back of this issue.

But not all certified public accountants have the knowledge necessary to guide and to advise construction businesses, and wise construction firms should and must be discerning with whom they entrust themselves. Just as not every licensed producer focuses on intricacies of surety markets and relationships, not all certified public accountants focus their primary services on the accounting needs of construction firms. The wrong relationship can be problematic, if not harmful, failing to provide an accurate assessment of financial wherewithal, impeding the ability of that firm to successfully pursue surety credit, or obscuring financial trends or unexpected tax burdens.

This issue of *Surety Bond Quarterly* examines the importance of finding a knowledgeable, construction-oriented certified public accountant and the consequences that may result from failing to do so. The issue also examines other key subjects, such as the critical nature of the changes to revenue recognition in construction business accounting, of providing proper bond and lien notices, of safeguarding and protecting sensitive information in email communications, and online surety education for small, emerging firms. My thanks to all the content contributors. I know you will find this issue full of useful information. ●

Warm wishes,
Mark McCallum
NASBP CEO

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needs of our customers and their clients.



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Practical Insights: What You Need to Know

THE DEVIL IS IN THE DETAILS: **Bond and Lien Notice Pitfalls**



BY DANIEL M. CARRICO

"Did you send your statutory notices?" This question should be familiar to anyone involved in pursuing or defending against a bond or lien claim for nonpayment. Seasoned participants in the construction industry, from bond producers, to surety company personnel, to contractors at every tier, also know that it is just the beginning of the notice inquisition.



AVOIDING THE STRICT COMPLIANCE TRAP

Prior to starting work, contractors, subcontractors, and suppliers should have a plan for (a) tracking the current statutory bond and lien requirements in all jurisdictions in which they work, and (b) making sure that they strictly follow the current requirements on every project. This plan should cover all pre-performance and pre-suit notice obligations, the requirements for preparing the bond claim and lien, and all deadlines for sending the notices, making the bond claim, and recording the lien.

"When did you serve the notices?" "How did you serve them?" "When was your last date of work?" "Was it contract work or punch-list work?" These questions may appear intolerably nitpicky, honing in on very specific and seemingly arcane details. But rest assured that there may be a very good reason for these questions. When it comes to bond and lien notices, the details matter. They really matter. Contractors, subcontractors, and suppliers that miss the details can pay a severe price.

The Strict Compliance Trap

Lien and bond laws vary from state to state and can be complex and technical. One common characteristic they all generally share is that they mandate strict compliance in order to trigger a surety's obligation to pay on the bond or a lienor's right to foreclose on the property. Any deviance from the specific statutory requirements laid out by the state legislatures, however minor, can be fatal to bond and lien claims. Claimants that are not careful risk losing their bond and lien rights *in their entirety*. Every year, claimants across the country fall into the strict compliance trap by making simple—and avoidable—mistakes. The Minnesota Supreme Court's decision in *Safety Signs, LLC v. Niles-Wiese Construction Co.*, 840 N.W.2d 34 (Minn. 2013), is a reminder of what can happen to those who do not strictly follow the bond and lien laws.

A Cautionary Tale: Safety Signs, LLC v. Niles-Wiese Construction Co.

The City of Owatonna, Minnesota (City) hired Niles-Wiese Construction Company (Niles-Wiese) to construct a new runway and taxiway. Niles-Wiese procured a payment bond from Westfield Insurance Company (Westfield), which agreed to be liable if Niles-Wiese failed to pay its suppliers or subcontractors. The City paid Niles-Wiese, but Niles-Wiese defaulted in paying a subcontractor, Safety Signs. Minnesota law requires an unpaid subcontractor to give written notice to the general contractor and its surety before commencing a lawsuit asserting a payment bond claim, so Safety Signs served its notice on both Niles-Wiese and Westfield. When Westfield rejected the claim, Safety Signs commenced litigation.

Unfortunately, Safety Signs made a crucial mistake when it served its notices. Its notice to Westfield was fine, but it mailed the notice to Niles-Wiese's address listed on the subcontract rather than the address on the payment bond. The two addresses were not the same, and the applicable Minnesota statute specifically required bond claimants to serve their notices on the surety and general contractor "at their addresses as stated in the bond." There was no question that Safety

Sign used the incorrect address. Safety Sign argued that its substantial compliance with the statutory notice requirement should be sufficient, but the court did not buy that argument.

After examining the statutory language, the Minnesota Supreme Court concluded that it left no room for interpretation. The right to sue on a payment bond was granted by statute, and the language of the statute required that the claimant give proper notice to the general contractor. Minnesota's statutory notice requirements were unambiguous and required service at the address listed in the bond as a condition precedent to filing suit. Thus, allowing anything less than strict compliance with the statute would thwart the clear scheme for bringing an action on a public payment bond imposed by the Minnesota legislature.

The practical outcome of the *Safety Signs* decision is harsh. In sending its general contractor notice to the wrong address, Safety Signs forfeited its entire bond claim even though it had correctly notified the surety. Therefore, Safety Signs had no cause of action against the payment bond to remedy Niles-Wiese's nonpayment and was left pursuing only Niles-Wiese for payment.

Don't Become Another Victim of the Strict Compliance Trap!

Cases like *Safety Signs* are a reminder of the pitfalls that await inattentive bond claimants. But they also serve as a powerful tool for sureties defending against bond claims. Payment bonds are valuable remedies for parties on construction projects. Aside from offering another avenue to claimants looking for payment, bond statutes often provide for successful parties to recover their attorneys' fees and costs. The loss of bond or lien rights can be devastating for a claimant trying to receive payment. Conversely, sureties that are not vigilant can end up paying large sums for claims that do not strictly comply with bond statutes. It pays, therefore, for both sides to be attentive to the current statutory bond requirements in all of the jurisdictions in which they work or issue bonds. Failure to strictly comply with those statutory requirements—or, in the case of sureties, failure to demand strict compliance—can be a costly mistake. ●

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An invaluable resource



NASBP's SuretyLearn.org website enhances emerging contractors' knowledge of the bonding process

NASBP'S NEW WEBSITE, www.SuretyLearn.org, can pay big dividends for small and emerging construction contractors.

The site is an invaluable resource that serves as an orientation tool to help small and emerging contractors understand contract surety bonds and how best to position themselves to achieve surety credit. For just \$25, enrollees can take a seven-chapter online course that will teach them the basics. Best of all, nearly all of the resources offered on the website are free.

Perfect for Small and New Contractors

Robert M. Overbey, Jr., president of Houston-based BondPro Inc., said SuretyLearn.org is a key tool for small and new contractors that may lack the resources and level of experience of their larger, more established competitors.

"Notwithstanding mentoring or the considerable presumed advantage of entering the family construction business, there are limited resources to assist the young contractor as to the establishment and ultimate growth

of one's construction company," Overbey said. "SuretyLearn.org provides effective tools for the contractor and establishes information germane to construction and especially the financial side of the business."

Accurate and Current Information

Amy Zakutansky, an underwriting manager with Indianapolis-based CNA Surety Corp., said SuretyLearn.org is especially valuable to small and emerging contractors because they often find obtaining surety credit to be a daunting

SURETYLEARN.ORG IS ESPECIALLY VALUABLE TO SMALL AND EMERGING CONTRACTORS BECAUSE THEY OFTEN FIND OBTAINING SURETY CREDIT TO BE A DAUNTING TASK.

task. Many of them have received poor advice from non-surety professionals, which often sets them back when it is time to apply for surety credit, she said. Moreover, they often do not know whom to turn to for guidance.

"Many small contractors are very good at their trade but are not necessarily savvy when it comes to operating and managing a business," she said. "It often requires teamwork from many business partners to establish a surety relationship. This includes a good surety bond producer, a construction-oriented CPA, a construction attorney and a banker. SuretyLearn.org is a great starting point for small contractors who want to learn more about the surety process."

Comprehensive Online Course

The online course is comprehensive and allows enrollees to learn at their own pace. "I'd definitely tell contractors to pay \$25 and take the online course. It's such a great bargain at \$25," said Bryce Guignard, president of Longwood, Fla.-based Guignard Company. "A tremendous amount of information is available at a nominal fee."

They can take as long as a year following the payment of their enrollment fee to finish the course. Each chapter concludes with review questions to help participants gauge their level of understanding, and remedial responses or brief explanations about the answers are provided for each question.

Nick Newton of Stillwater, Minn.-based Newton Bonding said, "I think the online course is especially helpful in introducing bonding to the uninitiated. The articles and slide presentations supplement what is learned in the course."

Aside from the course, SuretyLearn.org offers much free material, including articles and slide presentations on the value of

relationships with professional surety bond producers, construction/surety attorneys, small-business bankers and construction-oriented certified public accountants.

Insight Into What Sureties Value and Qualifying for a Bond

"This one-stop shop is very thorough," said Stephen Spencer, president of Rockville, Md.-based Insurance Associates Inc. "Many emerging contractors do not fully understand the many steps that go into qualifying for a bond. Many think it is similar to a bank loan. This site does a great job in breaking out the various issues you need to address."

"The words and phrases that are used by our industry can often be misinterpreted even by seasoned contractors," added Spencer. "Having a site that spells out terms and conditions in a sensible way eliminates confusion."

"I think the main issue facing small and emerging contractors is that they don't fully understand the bonding process and what it means to be bonded," Guignard added. "Spending time on the website will enable contractors to better educate themselves about the bonding process and be better equipped to help sell their company to a surety."

Moreover, the NASBP frequently uploads timely articles to the site that cover a wide variety of topics, including this recent addition: "Balancing Construction Projects with Sound, Financial Decision Making and Proven Risk Management."

Industry Forms

The website also provides the following key forms for contractors:

- A small-business contractor questionnaire, which acquaints contractors with the information they may be asked to provide by a surety bond producer. In fact, an NASBP

Upon completion of SuretyLearn's online course "Understanding Contract Surety Bonding: An Orientation Course for Small Contractors," small and emerging contractors will have:

- a basic understanding of the three main contract surety bonds: bid bonds, performance bonds and payment bonds
- a basic understanding of the surety's prequalification process—how a small contractor becomes bondable
- information about the four professional service providers critical to a small contractor's success: the surety bond producer, construction accountant, banker and construction attorney
- an overview of the traditional construction procurement process
- a basic understanding of the roles of the main parties involved in the construction process: the owner, design professional (architect or engineer), contractor and subcontractors
- an awareness of the resources available to small contractors to assist them with obtaining advice on business growth, obtaining bonds and obtaining loans
- a basic understanding of the bond claims process.

bond producer may provide this form to the contractor during an intake interview.

- A professional service provider worksheet, which helps a contractor assemble the full contact information of professional service providers who are critical to the success of the contractor's construction business.

Key Websites and Directories

The website offers links to key government sites, such as the U.S. Small Business Administration; websites of key government regulations, such as the Federal Acquisition Regulation; and searchable directories of service providers for contractors, such as the NASBP bond producers, NASBP

continued on page 37

ADVOCACY

update: NASBP Legislative Fly-in sets stage for final push to pass individual surety measure

NASBP CONTINUES TO build upon the momentum achieved during the NASBP Legislative Fly-in where attendees visited 60 offices representing 19 states, raising awareness of issues such as H.R. 776, the Security in Bonding Act of 2013, and the importance of including bonds in federal policy and legislation relating to public-private partnerships (P3s).

Since the June 12 NASBP Fly-in, NASBP, along with the 13 other trade and professional organizations that make up the Construction Procurement Coalition (CPC), have been meeting with members of the U.S. Senate who serve on the Senate Armed Services, Small Business, and the Homeland Security and Governmental Affairs Committees to educate them on the contracting reform provisions that were included in the U.S. House of Representatives version of the 2015 National Defense Authorization Act (NDAA).

In particular, the 2015 House NDAA included the two components of H.R. 776, the individual surety provision, as well as the provision to increase the guarantee from 70 percent to 90 percent in the Small

Business Administration (SBA) Surety Bond Guarantee Preferred Program. Senator Ben Cardin (D-MD) recently filed Senate NDAA amendment 3434 to increase the guarantee in the SBA Surety Bond Guarantee Program from 70 percent to 90 percent for surety companies participating in the Program. Two other bills supported by CPC included in the House NDAA were H.R. 2750, the Design-Build Efficiency and Jobs Act, and H.R. 2751, the Commonsense Construction Contracting Act. H.R. 2750 lessens the high cost of producing complete design and engineering technical proposals on design-build construction projects, while H.R. 2751 prohibits use of reverse auction procurement for design and construction services on small projects.

The CPC's message during these Senate visits has been to ask that these provisions be included in the Final NDAA Conference Report as deliberated between Senate and House Defense Authorization Conferees. Once the Conference Report is approved by both legislative chambers, a bill will be presented to the President for his signature.

There is precedence for including contracting reforms in the NDAA. For example, the 2013 NDAA included several small business contracting reforms, which NASBP lobbied for, such as increasing the contract size of the SBA's Surety Bond Guarantee Program from \$2 million to \$6.5 million and providing the SBA Administrator discretion to determine the Program liabilities to attract more surety company participation in the Surety Bond Guarantee Program.

In addition to the three provisions included in the House NDAA, the CPC also supports an omnibus bill that provides a framework for growth in the construction industry and for more efficient federal government procurement through simple, no-cost-to-the-government solutions. Among its features, the omnibus bill calls for the inclusion of federal Miller Act protections on P3s and for elimination of periodic threshold adjustments to the federal Miller Act every five years.

Based on the Capitol Hill visits thus far, the message the CPC has received is that the Senate will not begin to debate the NDAA until after the November mid-term elections. A conference committee to reconcile the House and Senate versions will likely convene in December. NASBP and its coalition partners have made numerous Hill visits this summer and fall with the objective of meeting with all Senate offices that have a vested interest in the defense spending bill.

To find out how you can help advocate for the surety industry on the matters described above and on other matters, contact the NASBP Government Relations at advocacy@nasbp.org. ●

Senate Office Meetings

Thus far, the Construction Procurement Coalition has met with these 18 Senate offices: Senators Tammy Baldwin (D-WI), Richard Blumenthal (D-CT), Roy Blunt (R-MO), Tom Carper (D-DE), Tom Coburn (R-OK), Ted Cruz (R-TX), Joe Donnelly (D-IN), Deb Fischer (R-NE), Mazie Hirono (D-HI), James Inhofe (R-OK), Tim Kaine (D-VA), Angus King (I-ME), Claire McCaskill (D-MO), Mark Pryor (D-AR), Marco Rubio (R-FL), Tim Scott (R-SC), Jeff Sessions (R-AL), and Jeanne Shaheen (D-NH).



Construction Procurement Coalition Groups

The Construction Procurement Coalition includes groups such as the American Council of Engineering Companies, American Institute of Architects, the American Subcontractors Association, the Associated General Contractors of America, the Design-Build Institute of America, the National Association of Surety Bond Producers, and the Surety & Fidelity Association of America.



A. Larry LeClair (left) and Howard Cowan met with the Speaker of the U.S. House of Representatives, John Boehner of Ohio. **B.** New York members met with U.S. House of Representative Richard Hanna (fourth from left) who supports several NASBP initiatives. **C.** Jennifer Salm brought her son Ayden to the Fly-in. **D.** Chad Martin (left) persuaded U.S. Representative John Duncan of Tennessee (right) to speak to Fly-in attendees. **E.** U.S. Representative Grace Meng of New York spoke to Fly-in attendees about the issues she supports. **F.** The Maryland group met with three Congressional offices. **G.** Adam Hepburn (right) of Hanna's office spoke to the NASBP members and affiliates. **H.** The Illinois group met with four Congressional offices. **I.** Patrick Pribyl and Monica Donatelli met with Kansas congressional offices. **J.** The NASBP Virginia group prepped prior to their Hill meetings. **K.** John Charlton and his sons, Austin and Aiden, met with their members of Congress. **L.** President Tom Padilla (right) met with U.S. Senator Tom Udall (center) of New Mexico. LeClair is on the left. **M.** Members and affiliates met with U.S. Representative Donald Payne (center) of New Jersey.


THE TWISTS

and turns of best value selection—and other timely topics

Join us for the Nov. 12-13 Federal Contracting
and P3 Conferences cohosted by NASBP and
Smith, Currie & Hancock



BY ALAN I. SALTMAN



NOT ALL THAT long ago, almost every construction contract awarded by the federal government was done through formal advertising where the award went to the lowest bidder, provided that it was capable of doing the work. Today, most federal contracts are awarded on a best value basis, that is, selecting the offeror whose proposal offers the best value to the government based on a stated set of evaluation factors.

In concept, making an award selection on stated factors with stated weights seems like an approach that would have many key attributes not too dissimilar from formal advertising, that is, substantial transparency and only a minimal opportunity for capriciousness. Moreover, one would also think that the role of price in the selection process would be absolutely clear.

As will be explained in detail at the session “Best Value Procedures to Select Awardees” at NASBP’s and Smith, Currie & Hancock’s upcoming Educational Conferences in Washington, DC, on Nov. 12-13, 2014, there are many twists and turns in the process of making a selection on the basis of best value, not the least of which is that, even on a solicitation where technical merit is stated as being very important and price is not, an offeror whose proposal receives the highest technical evaluation score might legally not be selected. At the conference, which will be jointly presented by NASBP and Smith, Currie & Hancock LLP, lawyers who are nationally recognized in the areas of construction and government contract law, this and other mysteries of the best value process will be explained. Attendees will also learn about the various things the agency should do during the evaluation/selection process and

LEARNING THE TRUTH ABOUT BEST VALUE CONTRACTING IS NOT THE ONLY TOPIC OF INTEREST ON DAY ONE OF THE CONFERENCES. OTHERS INCLUDE REMEDIES FOR BID MISTAKES AND NEW ISSUES INVOLVING ATTEMPTS BY THE GOVERNMENT TO SHIFT PERFORMANCE RISKS TO THE CONTRACTOR.

how the ultimate best value selection should be made.

In addition, this session will include a substantial explanation of how, in a best value procurement, the source selection official can even disagree with the analyses and conclusions of the evaluators and how he/she is also allowed to make “tradeoffs,” that is, to make an award that may even sacrifice real technical superiority in order to obtain a lower price and vice versa. The session will also cover what, if anything, can be done when the agency seemingly fails to follow the rules.

In addition, there will also be an explanation of the differences between award on a best value basis and award on the similar, and frequently confused, basis of the lowest price technically acceptable approach. The legal reasons why the agencies cannot indicate intent to award on one basis and inadvertently make award on the other will also be covered.

Moreover, there will be significant discussion about statutorily required evaluation factors, the use of past performance as a factor in the selection process, how to really determine the weight of each factor and sub-factor, and what the agency absolutely must do to assure that the selection is a proper one.

Learning the truth about best value contracting is not the only topic of interest on the first day of the conferences. Others include remedies for bid mistakes and new issues involving

attempts by the government to shift performance risks to the contractor. There will also be an extensive discussion of new developments with regard to contracting with small businesses, small disadvantaged companies and veteran-owned entities. Also on the first day’s program is a session on new developments with regard to the ever-present threat represented by the False Claims Act.

Day two will shift from the nuts and bolts of contracting with the federal government to a discussion of “Roles, Structures, Risks, and Security Relating to Public Private Partnerships (P3s).” The day will consist of a series of presentations and panel discussions by individuals, each of whom have substantial experience in the ever-more important world of P3s. Included in the discussions will be a robust panel consideration of the role of the surety product in the P3 marketplace.

For information about the program and to register for the Nov. 12-13 NASBP and Smith, Currie & Hancock Federal Contracting and P3 Conferences, visit www.nasbp.org. ●

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SURETY BOND Guarantee Program changes for the better

Under the leadership of Lalumiere, Gibbs, the Office of Surety Guarantees is strengthening its partnership with the industry

BY NICOLE NELSON

AS THE FORMER comptroller of an 8(a) contractor in Ohio, Peter C. Gibbs has witnessed firsthand the struggles small, disadvantaged businesses experience in the process of securing bonds required for construction contracts.

"I definitely saw the issues," Gibbs recalled, noting that he is mindful of the challenges faced during his days at both Dayton-based Wise Construction Company and New York City's Nico Construction, as he authorizes policy affecting comparable companies in his current role as Deputy Director of the U.S. Small Business Administration (SBA) Office of Surety Guarantees.

Working alongside Surety Bond Guarantee Program Director Frank J. Lalumiere, Gibbs has applied his hands-on knowledge of the industry to make changes for the better in the SBA office that provides incentives to surety companies to provide surety bonds to small businesses that may not otherwise have the opportunity. The program guarantees between 70 and 90 percent of the costs that a surety would incur if that small business defaults on the contract.

"Frank and I have changed this program a lot," Gibbs said. "We

understand the importance of providing products to small businesses in a reasonable timeframe."

Gibbs referred to the example of application cycle times: the formerly lengthy process has been minimized to less than two days. Additionally, he said the cycle time in approving a claim has been condensed to a six- to eight-day turnaround.

"Since we have been here, we have implemented significant changes that have contributed to the growth and the increase in participation by the surety industry in our program," Gibbs said.

Lalumiere said the Surety Bond Guarantee Program started in the

mid-1970s to help small businesses acquire contracts in the construction sector. Today, surety companies participating in the program stands at 23 and growing.

"As the volume of program activity has increased, surety participation has also increased," Lalumiere said. "In fact, right now we are looking at a couple of sureties that want to participate."

The volume also continues to grow in terms of the number of bond guarantees.

"Over the past seven or eight years, we have grown each year with respect to the previous year,"

Coming Soon: SBA OSG Online Claims Submission System

The SBA Office of Surety Guarantees (OSG) is in the final stages of enhancing the General Login System (GLS) E-Application allowing sureties to submit claim applications directly to the Surety Bond Guarantee Program. Currently, sureties mail requests for claim reimbursement along with supporting documents by USPS or private carrier, taking several days to reach the SBA OSG claims department. In addition to submitting requests for reimbursement online, there will be a function to upload supporting documents directly. The new process will allow sureties to submit requests for claims online, and although sureties will have to mail the original 994H Form (Default Report, Claim for Reimbursement, and Report of Recoveries) to the SBA, the enhancement will increase efficiency and reduce costs for the Program's surety partners.

AS THE ECONOMY RECOVERS, WE SEE MORE CONTRACTS BEING AWARDED. WHEN IT GETS BACK UP TO WHERE IT WAS, WE WILL SEE MORE SMALL BUSINESSES DEMANDING MORE SURETY BONDS; AND MANY OF THOSE WHO NEED SURETY BONDS WILL USE THE SBA PROGRAM.

Lalumiere said. "Last year we issued just about 13,000 bonds, and this year we'll probably be very close to that."

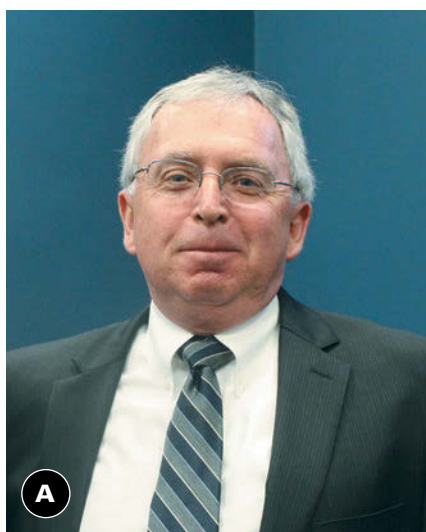
Lalumiere said a distinct uptick in activity was realized upon passage of the American Recovery and

Reinvestment Act (ARRA) of 2009, which upped the contract ceiling from \$2 million to \$5 million. When ARRA expired, a little downturn followed, but along came the National Defense Authorization Act of 2012, which

kicked the ceiling up to \$6.5 million, and activity picked up again.

"We are riding a nice solid wave of activity," Lalumiere said. "As the economy recovers, we see more contracts being awarded. When it gets back up to where it was, we will see more small businesses demanding more surety bonds; and many of those who need surety bonds will use the SBA program."

"We also see a lot of small businesses who have been in business for some time doing well, but



A. Frank Lalumiere (pictured) and NASBP staff meet regularly to keep informed about the latest developments in the SBA SBG and the surety industry. **B.** Peter Gibbs described updates and changes to the SBA SBG program at the 2011 NASBP Fly-in. **C.** NASBP Member J. Spencer Miller (left) thanked Frank Lalumiere (right) for attending the 2010 NASBP Fly-in. **D.** Peter Gibbs (right) answered questions posed by NASBP Members Jill Tucker (left) and Steve Cory (center). **E.** From left, Frank Lalumiere, NASBP CEO Mark McCallum and Peter Gibbs met recently at SBA Headquarters.

working on contracts of a smaller dollar value. With the Recovery Act and the National Defense Authorization Act increasing the contract ceiling eligibility for our program, a lot of the small businesses are going to try to get larger contracts. As they move from a small dollar contract to a larger dollar contract, some surety companies are going to look for the SBA to guarantee those bonds."

Gibbs concurred that the demand is continually increasing. "As long as

there is a requirement by the federal government to include small businesses in procurement opportunities, there will always be a demand for our programs," Gibbs said.

Lalumiere was quick to point out that the Surety Bond Guarantee Program succeeds only because of the SBA's relationship with industry. "If SBA were not in lockstep with industry, we would not succeed. Together, we help small businesses," Lalumiere said, noting that

the relationship can be described as an industry/government partnership and is not unlike many other SBA programs designed to assist the small business community.

Lalumiere said his office has an excellent working relationship with the surety industry, including with the National Association of Surety Bond Producers.

"There are a variety of initiatives that SBA and the surety industry join hands on to help small businesses," Lalumiere said. "It runs the gamut from revising our regulations to better match best industry practices, to conducting webinars and conferences with small businesses, to trying to educate the small business on the surety bond process."

Gibbs said a very recent example of partnership entails NASBP training of key staff within the Office of Surety Guarantees.

"NASBP is going to be training our staff about just how the industry works," Gibbs said, noting that, upon SBA's contact with NASBP, the organization graciously offered to supply producers to train government staff in Denver, Seattle and Washington, DC. "We are going to get a perspective from the bond producers on how they do things, and our staff will get a better feel for what they are dealing with."

Lalumiere said these inaugural tutorials will "allow us to see the issues that the producers in the field see because they are the ones who have direct contact with the contractors. We will get to see what they experience."

Gibbs cited the good communication between the SBA and its surety partners as a principal means to strengthen the partnership. "[Surety professionals] have a good vehicle with the NASBP, so if there are trends or things that we need to address, I think they feel free to communicate with us what the issues are," Gibbs said. "If we think their recommendations are going to benefit small businesses without increasing the risks to SBA, we seriously consider all of them."

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BY JOHN ARMOUR AND
EMILIO ALVAREZ

WE ARE REMINDED frequently about the three Cs of surety underwriting and how fundamental these factors are to quality underwriting of credit. But there is really a fourth C that is understood by most as being equally important to account quality. That is the certified public accountant (CPA) firm that issues the audit or review opinion on the customer's financial statements that are core to the contractor's surety capacity.

More than ever, sureties are underwriting their clients' CPAs.

Financial statements of contractors are the principal source of information in the surety underwriting process, and their contents can make or break a surety program.

Like with everything else in life, you are better off if serviced by a specialist; and a CPA that has a high concentration of contractor clients and makes it a point to stay on the cutting edge of accounting, auditing and tax matters as they relate to construction contractors will bring to the client's meeting with the surety an additional level of credibility and dependability that translates into a better surety program as to efficiency and capacity.

The road to increased surety capacity is paved with sound, conservative decisions.

Best-of-class contractors invariably have the best bonding programs. They are also the ones who take the time to learn from their CPA's perspective about overhead absorption, adherence to policies that promote

positive cash flow, sound internal controls, careful estimating and effective project management.

In a period of shrinking balance sheets and increased competition at lower margins, the discipline and counsel of an experienced construction CPA is a vital component of the contractor's team. The sureties recognize this fact and factor it in their underwriting decisions.

So what are some of the core characteristics a surety or bond producer should seek in the best-of-class CPAs?

SPECIALIST

No doubt the public generally holds the CPA credential in high regard and rightfully so. But the construction industry is a high-risk, low-margin proposition with complex transactions, accounting processes that depend on estimates, and accounting standards that seem to be in constant flux, such as a new revenue recognition standard for Generally Accepted Accounting Principles (GAAP). The choice CPA firm should exude characteristics described below that leave no doubt in the surety's eyes that the firm has a specialty in the construction industry.

While not an absolute, you could assume that a firm with a significant number of contractor accounts is demonstrating that it has a niche in the construction industry. Some boutique firms serve only the construction industry.

CURRENT INDUSTRY KNOWLEDGE

Best-of-class firms are leaders in two industries—the construction industry and the accounting industry. You will see them involved in construction associations and working with multiple sureties and banks. The best-of-class firms know all of the sureties and the banks and most of the contractors. Industry knowledge is more than mastering some of the buzz words of the industry: it is understanding how a company gets work, builds it and gets paid. CPAs get industry knowledge by spending

years with contractors, on bid days, walking a project, and at ball games with the CEOs or PMs. You call that CPA because he or she is the thought leader in the industry. Not only does the CPA have the knowledge, but also the integrity and trust to tell you the straight truth—even if it is not what you want to hear.

The most important attribute is "current." There is a very significant pool of accountants with construction industry knowledge—but only the best of class are driven to stay "current" with the knowledge. This requires attending conferences and seminars, spending time with software companies that support the industry, and reading *Engineering News-Record* and other relevant publications on a regular basis to understand the big picture and industry trends.

RIGHT FIT

It is not uncommon for bond producers to have a go-to CPA relationship where confidence and familiarity have been established. However, care should be taken to ensure that the unique needs of the contractor and the capability of the CPA firm are aligned. For example, some firms do a great job performing reviews of financial statements but lack the capacity to perform quality audits. The firm may have substantial clients in a given sector, such as heavy highway, specialty subcontractor, or general building construction, but would be challenged to understand the unique risk profiles in another sector. The contractor may have multi-state operations that cannot be effectively served by a single-office firm.

It is becoming more and more common within CPA firms that all or substantially all of their clients are taxed as pass-through entities. Less than 15 percent of contractors are C corporations or file consolidated returns. Producers and sureties should be increasingly concerned if the tax compliance could be at higher risk due to the CPA's inexperience with the form of business.



CPA Emilio F. Alvarez (standing) directs (from left) Keungling Lee and Alicia Castillo during a review of a construction client's financial statements.

INDEPENDENCE

The foundation for audit and review services is based on the concept of independence of the CPA firm from its clients. While it is common for a contractor and its CPA to develop both professional and personal relationships, a bond producer and the surety should be mindful of relationships that become too tight. Does the surety have the confidence that the auditor will bring appropriate levels of "professional skepticism" in evaluating the transactions, estimates and disclosures in the financial statement engagement?

The personality of the construction executive plays an important role in matching a contractor with its CPA.

CURRENT ACCOUNTING AND TAX KNOWLEDGE

Most CPAs are bright. But today's fast paced, complex business world has created an environment where the CPA has to keep up-to-date with changing rules on what is GAAP for contractors as well as the ever-expanding and changing tax code. Add to that the requirement to stay abreast of audit standards, and you have defined a situation where it is unlikely that all of those skills can be wrapped up in a single person. Likely the contractor will require several people from the CPA firm, each with the unique skills in some but not all of the CPA disciplines to be a partner with the contractor and

THE PARTNER AND MANAGER ARE THE CRITICAL DECISION-MAKERS, AND TURNOVER IN THESE AREAS CAN RESULT IN DIFFERENT RISK TOLERANCES WITHIN THE CONTRACTOR'S FINANCIAL STATEMENTS.

surety to provide sensible advice and remain skeptical as an auditor about estimates of future performance.

The best-of-class CPAs are thought leaders. You should see articles written by them in journals or newsletters that demonstrate that they are on the leading edge of accounting and tax developments.

There are several national construction conferences that focus on training construction industry accountants on latest developments. These include the Construction Financial Management Association (CFMA), AGC/CFMA and AICPA national construction industry financial management conferences. There also are state-level conferences in many regions. From time to time, ask your CPA if he or she is attending these programs. They have the top minds in the industry leading presentations, and you want your CPA to either be the best or be learning from the best.

INDUSTRY COMMITMENT

Best-of-class construction CPA firms are frequently in attendance at construction industry gatherings. However, it is easy to pay some dues and show up at a few association meetings. The firms that see themselves as a contributing member of the construction industry will also get involved in committee and leadership roles in the trade associations. Where available, you should expect the firm to participate in the local surety association as an associate member.

Great networking and industry best practices, particularly for CFOs and audit firms, can be found in the activities of local and national meetings of the CFMA. You should expect any best-of-class construction CPA to be a member; CFMA only has individual memberships and not company

membership. Ask how many of the firm's partners and staff are members of CFMA.

The CFMA has created a separate entity to certify construction financial management experience and knowledge, the Institute of Certified Construction Industry Financial Professionals. The credential requires several years of experience followed by a 4-hour exam covering all aspects of financial management and reporting around the construction industry. After certification, the candidate must continue with industry-specific continuing education. The certified members (CCIFPs) are in every state and growing. In addition to the CPA credential, producers should inquire about how many members in the firm have the CCIFP credential. The CCIFP is another way of assuring that industry knowledge is present. This does not in any way mean that a firm without any CCIFPs is less qualified, but there is no third-party validation.

Another bonus is if the firm has one or more means of staying current with construction industry best practices through some form of peer-to-peer involvement. In large firms, this will be manifested as some firm-wide industry practice group. Other firms may join a network that has specialty practice groups. Be cautious about relying on these groups as many firms are accepted into peer groups to learn about an industry. One group, Construction Industry CPA/Consultants Association (CICPAC), requires a level of existing contractor clientele as a condition of membership.

FINANCIAL PRESENTATION

Timelines

Nothing signals problems as firmly as a late financial report. We have heard all of the reasons, but as one

major surety CEO was fond of saying, "I never received a late financial statement that had good news." Quality CPAs recommend clients use current accounting practices and procedures. Avoid firms that are consistently missing deadlines for publishing financial reports.

Industry specific

There are certain things that you expect to see in the financial presentation and footnotes of a construction company. If they are not there, change accountants. An important caveat is that just because they are there doesn't mean the statements are solid or that the CPA is right for the risk you are taking.

FIRM VS. CLIENT SERVICE TEAM

A CPA firm may have a number of contractor clients, but the business is spread among various partners and accounting staff such that no one in the firm has significant industry experience. The bottom line is that best practice would be that the audit is staffed with partner, manager, senior and associate accountants that annually perform multiple audits of contractors and do not bounce from industry to industry. The surety should assess both the firm and the service team within the firm.

Turnover within the team makeup should be a red flag. While it is common for staffing changes to occur within the CPA profession, wholesale changes in a service team from year to year may be indications of other problems within a firm and should be evaluated by the bond producer and the surety. More emphasis should be on turnover in the manager and senior roles, as these are the CPAs that are getting dirty hands in the audit process. The partner and manager are the critical decision-makers, and turnover in these areas can result in different risk tolerances within the contractor's financial statements.

AWARENESS OF FRAUD

In the conduct of an audit, CPAs are required to make inquiries about the

potential for fraud in the company. Best-of-class CPAs know what fraud looks like and can pose the right questions to the right people to shake out the potential risk that someone is stealing from the contractor or engaging in illegal acts with customers or vendors. Consider asking the CPA how he or she approaches this aspect of responsibility. We need to be clear that an audit is not an assurance that fraud does not exist, but it is probably the only time in the year that anyone looks at the possibility that assets are going out the back door.

Note that no inquiry regarding fraud occurs under a review engagement; this is something to consider when you are deciding whether the contractor should have an audit or review. It is hard to complete a job from jail and impossible to pay bills when someone has taken your cash flow.

DEPTH OF ORGANIZATION

Let's face it. We gravitate toward the people we like. Part of your underwriting of the CPA relationship is looking at what resources are behind the CPA that has the relationship. Larger organizations will have technical resources to draw upon. For multi-office accounts, a larger firm may be better prepared to serve a national client. But many small firms travel well and have trained staff members who are comfortable working on the road. So the depth of the firm comes down to strength beyond the person actually doing the audit or tax return. Some firms get depth by association with other experts.

REPUTATION AMONG INDUSTRY PLAYERS

Best-of-class construction CPAs and their firms are held in high esteem by the industry. Quality, integrity, timeliness, commitment: these are words that build on one another to create a person, a relationship, an organization that will do the right thing when the time comes.


You rely heavily on the financial information provided by your contractor clients. That reliability is enhanced when the financial statements are audited

by the right firm. The right firm is the firm that, when the underwriter sees the opinion, he or she thinks, "I know about this firm, they do good work, their clients are quality customers, their reports are timely and there are no surprises." Don't take the chance with a B-class CPA; demand best of class. ●

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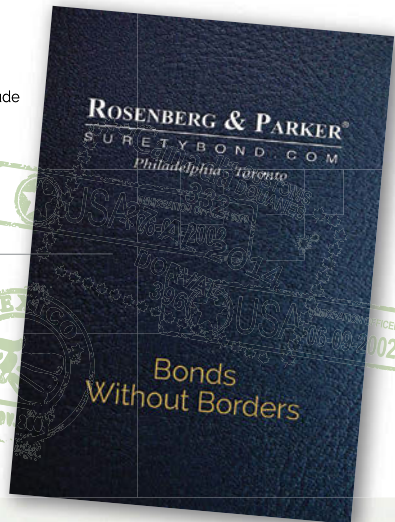
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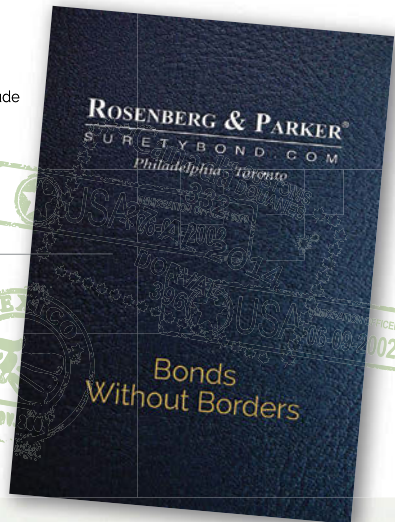
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Getting in the weeds:

Requirements for marijuana surety bonds

MEDICAL MARIJUANA IS currently legal in 23 states and Washington, DC. Recreational marijuana is currently legal in two states (Colorado and Washington). In an effort to regulate the new businesses involved in this legalized yet controversial industry, several states have enacted laws that require marijuana surety bonds as a condition of business licensure. These commercial surety bonds are authorized by statute and reflect various regulatory schemes in the states and localities. This means that the bonds in each jurisdiction will have different penal sums and bond conditions. The scope of coverage for

each bond will be interpreted consistent with the statute, ordinance, or regulation on which the specific bond is based.

This article briefly discusses some of the current “marijuana surety bond” requirements. What is clear is that various jurisdictions are struggling with how to regulate the industry and what kind of bond mandates should be implemented.

COLORADO

In 2000 Colorado legalized the use of medicinal marijuana sold by designated and approved medical marijuana dispensaries. At that time

Colorado became the first state to require a medical marijuana bond. Colorado requires medical marijuana dispensaries to post a \$5,000 bond as a condition of licensure, with the Colorado Department of Revenue as the obligee; and the bond must be renewed each year. The Colorado Medical Marijuana License Bond is conditioned on the principal reporting and paying all sales and use taxes due the state. Dispensaries located in the City of Denver are required to carry an additional City of Denver medical marijuana surety bond in the amount of \$5,000.

WHAT IS CLEAR IS THAT VARIOUS JURISDICTIONS ARE STRUGGLING WITH HOW TO REGULATE THE INDUSTRY AND WHAT KIND OF BOND MANDATES SHOULD BE IMPLEMENTED.

Colorado recently made news by legalizing the use of marijuana for recreational purposes. The state passed legislation allowing retail marijuana businesses to operate legally. Effective January 1, 2014, all retail marijuana businesses are required to obtain a Colorado Retail Marijuana License Bond in the amount of \$5,000 as a condition of licensure.

This bond is conditioned on the principal reporting and paying all sales and use taxes due the state. In addition, the City and County of Denver has its own Retail Marijuana License Bond in the amount of \$20,000, conditioned on the payment of taxes due to the City and County of Denver.

CONNECTICUT

Connecticut recently enacted a law to regulate medical marijuana producers and dispensaries. Among other things, the Medical Marijuana Producer Performance Bond (for the Construction of a Production Facility) must have the following characteristics:

- The bond must be irrevocable.
- The bond must guarantee construction of the production facility within a specific time frame.
- The penal sum of the bond is \$2 million.

It should be well noted that this Connecticut medical marijuana bond is a type of forfeiture bond, as the surety must pay the full bond amount in the event of any claim. It is presumed that Connecticut did not consult with the surety industry on this bond requirement.

FLORIDA

The Florida Compassionate Medical Cannabis Act of 2014 was signed into law on June 16. Under this new law,

five nurseries in the state of Florida will be opened to grow, process, and dispense certain cannabis and cannabis oil extracts. Under the law's strict requirements, only professional nurseries that have operated for at least 30 years and hold a valid certificate of registration from the Department of Agriculture and Consumer Services for the cultivation of more than 400,000 plants will be eligible to be one of the five nurseries selected. Significantly, nurseries will be required to obtain a \$5 million bond and demonstrate that they have the financial ability to maintain operations for the duration of the two-year approval process.

ILLINOIS

Under Illinois' Compassionate Use of Medical Cannabis Pilot Program Act and the implementing regulations, each cultivation center, as a requirement of registration, must provide to the Department of Agriculture (Department) evidence of financial responsibility for failure to timely and successfully complete construction or failure to operate in a manner that provides an uninterrupted supply of cannabis. Evidence of financial responsibility shall be provided by either (1) an escrow account in an Illinois financial institution in the amount of \$2 million; or (2) a surety bond in the amount of \$2 million, with the cultivation center as the principal on the bond and the Department as the obligee. The bond must be written by a surety company authorized and licensed through the Illinois Department of Insurance.

In addition, under the relevant law and regulations, each dispensing organization, as a requirement of registration, must provide the Department evidence of financial

responsibility in the event of failure to timely and successfully complete construction or failure to operate in a manner that provides an uninterrupted supply of cannabis.

Evidence of financial responsibility shall be provided by either (1) an escrow account in an Illinois financial institution in the amount of \$50,000; or (2) a surety bond in the amount of \$50,000.

NEVADA

The Nevada Medical Marijuana Program is a state registry program, and, in early June 2014, the Las Vegas City Council adopted regulations for medical marijuana establishments. The City implemented a \$250,000 surety bond requirement for license applications submitted to the Las Vegas Department of Planning for medical marijuana establishments. Pursuant to the implementing regulations, the bond will "hold harmless, indemnify, and defend the City against all claims and litigation arising from the issuance of a permit and/or licenses, including any claims and litigation arising from the establishment, operation, or ownership of the medical marijuana establishment"

Please note that these marijuana surety bond laws and regulations are subject to amendment and change. Some folks have articulated concerns that some of the marijuana surety bond penal sums are too high and the terms and conditions are onerous. Indeed, there may not be a vibrant market for some of these bonds, unless statutory and regulatory modifications are made.

In addition, it is likely that other states in the near future will implement a marijuana surety bond requirement for businesses that want to cultivate, package, and/or dispense marijuana, in an effort to regulate both the medical and the recreational marijuana industries. The penal sum of those bonds and the conditions for recovery under such bonds remain to be seen. ●

Encrypting email



The first step in securing
sensitive information



BY LARRY BODIE

COMPUTER SECURITY IN business is a lot like playing hide-and-go-seek with a toddler. More often than not, toddlers will hide behind a curtain with their feet sticking out or under the coffee table with their eyes closed. Like an ostrich with its head in the sand, they think, "If I can't see them, they can't see me." As it relates to modern technology security, we are too often like those toddlers. Despite our better judgment, we tend to turn a blind eye to the real and present dangers that threaten our businesses.

Online crimes are growing each year and affecting more and more businesses across every sector, with financial and healthcare the two most highly targeted industries. As business leaders, it benefits no one to bury our heads in the sand and hope that, if we can't see the threats coming, they can't harm everything we have built. I have observed businesses wading through the repercussions of security breaches dozens of times in the past 12 months. Mishandled and stolen data cost significant time and money to remediate, while

NASBP/ACORD Standard Form Project Gains Momentum

NASBP conducted an IT Survey of its members in 2013 and found that more than half (52%) of respondents indicated it would be useful or very useful to be able to input data using Association for Cooperative Operations Research and Development (ACORD) standards for an industry form in one location rather than re-keying it into other applications. A follow-up Industry Sign-on letter showing support for the use of ACORD standards in NASBP forms sent to the NASBP membership, partner associations, and vendors resulted in over 120 responses. Among those responses, Greg Davenport, Senior Vice President of Operations and Strategy at Liberty Mutual Surety, was the very first to provide NASBP with the support letter. He commented, "Liberty Mutual is pleased to work together with NASBP to bring additional standardization to our industry. With this initiative we will be able to enhance our data exchange capabilities, making it easier for producers to do business with us by using their own systems."

This summer the NASBP Automation and Technology Committee took a giant step towards creating data exchange standards for the surety industry. NASBP is leading the industry effort to improve information exchange among bond producers, sureties and obligees, regardless of their underlying system. The Bid Bond Request Form is expected to be available in the ACORD Forms Library by January 2015, and the remaining NASBP Tool Kit Forms will follow later that year.

For producers and surety companies, this means data exchange will be enhanced using ACORD standards to facilitate upload and download capabilities, resulting in the "single entry" of data into a form, software, or service. NASBP realizes the importance of paper forms and will maintain its NASBP Producer's Toolkit forms with the NASBP logo online at www.nasbp.org/toolkit. Vendors and surety companies that are ACORD members have the capability to use and distribute these forms. If you have any questions, or would like to join the Forms Working Group, contact Dave Golden, NASBP Director of Technology, at dgolden@nasbp.org.

tarnishing the trust with clients and shareholders it took years to build.

Those are the stakes. Granted, keeping your business's data secure can seem daunting. Every week we hear of another titan of business stumbling because of some online attack or security mishap. Target, PlayStation, Verizon and others have all lost customer data and felt the resulting backlash. Without proper safeguards in place, data and security breaches are not a matter of if, but when. Fortunately, there are actions we can take to keep valuable data secure.

ENCRYPTION AS A BUSINESS TOOL

Nick Newton, chair of the NASBP Automation and Technology Committee and president of Newton Surety Services, LLC of Stillwater, Minn., said, "It used to be difficult to balance the level of security with ease of use—but today there are many options available for non-technical agencies. There is very little reason why every agency should not be using encryption technology for the

protection of their clients' sensitive data and to limit their liability."

Among the many tools available to businesses to safeguard their corporate data, "encryption" is one of the strongest. Encryption is the process of scrambling information so that it is unreadable to all but its intended viewer. Quite simply, encryption keeps the wrong people from seeing private information.

The process of encrypting data is not a new concept. In war, secure communications are vital to achieve victory. In World War II, German military forces in the field and on the sea used a coding machine called the "Enigma" to communicate covertly with headquarters. By keeping its communications encrypted, its movements were stealthy, and over time the Axis U-boats wreaked havoc on the Allied Navy. After finally breaking the code, the Allies could decrypt the Axis communications and determine the locations of enemy submarines. The control of the seas and the tide of the war rested on intercepted communications. Allied Commander Dwight Eisenhower claimed breaking

the ENIGMA code to have been "decisive" to victory.

In business, as in war, people want your information and are willing to steal it.

THE USES OF ENCRYPTION

Due to the complexity involved, many technologies can be used to encrypt data on several levels. In addition to data, encrypting devices allow only users with a "key" to see the information on a particular device. Even if it was stolen or lost, the data would be unreadable and, therefore, safe. Encrypting websites keeps the data entered on it from being intercepted between the user and the website. Encrypting communications such as email enables only the sender and receiver to view the content.

ENCRYPTION AND EMAIL

Email is by far the easiest, most convenient method of transmitting information in a business setting. As such, it is one of the greatest vulnerabilities we have. In developing risk management and security policies—not to

mention altering employee work habits—it is best to pursue the low-hanging fruit. A good first step toward a more secure workplace can begin with encrypting your email.

WHY ENCRYPT EMAIL

Emails are like postcards. Send a postcard from the Grand Canyon to your family back home and anyone who sees the postcard can read or tamper with its message. Emails sent

through the web are just as visible and vulnerable, apart from encryption.

Think about how often your business sends sensitive information over email: contracts, personal financial information, passwords, account information, proprietary documents, intellectual property, quotes, health information, etc. It is obvious to see that losing that information could be harmful to your clients, your business and your personal

reputation. So it is both in your best financial interest and your responsibility to take reasonable steps to protect privileged information.

Clients, vendors and partners expect a certain level of confidentiality around their data. The following attributes of encrypted email help ensure that confidentiality:

- **Message Integrity:** The message should be tamper-proof.
- **Sender Verification:** The receiver should feel confident that the sender is legitimate.
- **Receiver Verification:** The sender should feel confident that the message is viewable only by the intended recipient.
- **Message Control:** The sender should always have control of the content and have the ability to retract the message.
- **Message Audit Trail:** The sender should be able to know who read the email and at what time.



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WHAT TO ENCRYPT—DATA LOSS PREVENTION

How do you know what to encrypt? How could your users know what to encrypt? Data loss prevention tools can simplify the process of encrypting the right data by examining all the information that leaves your network. With certain policies in place, data loss prevention tools will alert you if an email being sent contains information that should be encrypted. Without data loss prevention in place, your business stands a much greater risk of sending sensitive information. With it, an encryption policy becomes significantly more user friendly.

HOW TO ENCRYPT EMAIL

There are many ways to encrypt email messages: policy-based encryption, manual encryption with keywords or phrases, Transport Layer Security and other methods. Historically, the problem with encryption was that it was too complex. Modern tools have one-click verification features that make the process much simpler. Granted, it is best to speak with a qualified information technology or security expert you trust to help you



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decide which solution is best for your needs. However, here are some of the things you can consider when evaluating an encryption plan.

GETTING STARTED

First, determine what types of data should be considered sensitive. Emails with client contracts and financial data should obviously be encrypted. From there, however, the list of potentially sensitive items is endless: personal health information, Social Security numbers, credit card numbers, bank account numbers, diagnostic codes, billing information, passwords, quotes, contracts, etc.

Keep in mind that not all email is important, so not all email is worth encrypting. You must weigh the sensitivity of the information against your ability to get things done efficiently. Likewise, not every person in the office sends sensitive information, so to encumber them with an extra step or two to send emails is unproductive. Creating policies around what information should be encrypted and who sends encrypted information will go a long way to making encryption effective.

Next, determine which features you need. To do that, it is best to sit down with a trusted security/IT professional and communicate your goals for what information you need to have encrypted and how secure that data needs to be. An IT professional will ask questions to understand which features you need in an email encryption solution:

- Which data is most important?
- Who sends that data?
- Who receives that data? Are they within your network or outside it?
- How will they access that data? Desktops, laptops, smartphones?
- Should an email be encrypted while "in-transit" or just "at-rest"?
- Should email headers be secured, as well as the contents of the message?
- Should the identity of the remote server that I am communicating with be established?

Each of these questions will help guide the development of a

logical process your employees will actually use.

CONCLUSION

Enterprise security is a spectrum along which businesses periodically move. The journey from "vulnerable and insecure" to "good enough" to "highly secure" is a journey of increments. This journey often begins with the question, "What would happen if this data was compromised?" As you

work to develop your strategic plan to improve your security, encrypting sensitive email is a solid first step. ●

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It's finally here:

FASB issues new revenue recognition standard



BY TIMOTHY T. WILSON AND
MICHAEL J. SOBOLEWSKI









THE MODEL FOR revenue recognition in construction is changing with the Financial Accounting Standards Board (FASB) May 28, 2014 release of Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). Since 2008, FASB and the International Accounting Standards Board (IASB) have been working jointly on developing a single principles-based model for recognizing revenue, with a goal of improving consistency of requirements, comparability of revenue recognition practices, and usefulness of disclosures.

Throughout the FASB process, NASBP, the Construction Financial Management Association (CFMA) and other interested organizations have been very involved in providing input on the impact of the new standard. The ASU eliminates all existing revenue recognition guidance under both U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS), including industry-specific guidance, and significantly expands revenue recognition disclosures.

The required disclosure changes will include both quantitative and qualitative information about the amount, timing, and uncertainty of revenue from contracts with customers and the significant judgments used. There is limited relief offered to nonpublic companies on some of the qualitative disclosures.

There are some myths that have been rolling around the construction industry related to the changes in revenue recognition. Hopefully, many of these myths can be put to rest with the issuance of the final standard. The table in this article provides some of the highlights.

Assumption	True/False
Percentage completion accounting has been eliminated.	 False – While the thought process and terminology will be different, revenue recognized under the new standard may be similar to the percentage of completion method used today.
Revenue can be recognized on uninstalled materials.	 True – FASB included specific language whereby, in certain circumstances, contractors may be allowed to recognize revenue equal to the cost of the uninstalled materials if the customer obtains control of the goods.
All contracts will have multiple performance obligations.	 False – Many (not all) construction contracts may have one performance obligation. Contractors will still need to evaluate each contract for separate performance obligations and document their conclusions.
Contractors will have to recalculate all completed contracts under the new standard when implemented.	 False – During the transition period, FASB has allowed for two options: restate prior periods presented, or account for contracts in progress and all new contracts going forward.
Cost to cost (costs incurred) can still be used to determine percentage complete on contracts in progress.	 True – The new standard allows for the use of input or output methods to determine percentage complete.
Contractors will add significantly more footnotes to the financial statements.	 Depends – New disclosures will be required, with some relief for nonpublic entities.

EFFECTIVE DATES

Many contractors enter into agreements that can span multiple years; therefore, it is important to understand the effective dates in the new standard. For public companies, the standard will be effective for annual reporting periods beginning on or after December 15, 2016, including interim reporting periods therein. Early application is not permitted for public companies. For nonpublic companies, the standard will be effective for annual reporting periods beginning on or after December 15, 2017, and interim and annual reporting periods thereafter. Nonpublic companies may elect early application, but no earlier than the effective date for public companies.

ASSESS ALL ARRANGEMENTS

The ASU applies to all contracts with customers, other than those within the scope of other standards, such as leases, insurance, financing arrangements, financial instruments, and guarantees (other than product or service warranties). The ASU does not apply to other parties to a contract who are not customers. Management will need to review partnership and collaborative arrangements to

assess if such arrangements will be subject to the ASU.

THE NEW REVENUE RECOGNITION MODEL

The core principle of the new model is that an entity would recognize revenue as it transfers goods or services to customers in an amount reflecting the consideration it expects to receive. To achieve that core principle, an entity would apply a five-step model.

Collectability will be an explicit threshold that must be assessed *before* applying the revenue recognition model to a contract. An entity must evaluate customer credit risk and conclude it is “probable” it will collect the amount of consideration due in exchange for the goods or services. The assessment is based on the customer’s ability and intent to pay as amounts become due. This is a significant shift from the previous exposure drafts.

STEP 1: IDENTIFY THE CONTRACT WITH A CUSTOMER

The first step in applying the model is to identify the contract with a customer. A contract is defined as “an agreement between two or more parties that creates enforceable rights and obligations.” The ASU includes criteria for combining contracts into

a single contract for accounting purposes. Accounting for a contract modification will depend on the type of modification and would be treated as either a separate contract or as an adjustment to the original contract, depending on circumstances.

STEP 2: IDENTIFY THE PERFORMANCE OBLIGATIONS IN THE CONTRACT

Once an entity has identified a contract, it would identify performance obligations within that contract that require separate accounting. A performance obligation is defined as “a promise in a contract with a customer to transfer a good or service to a customer.” Management will need to use significant judgment to distinguish each performance obligation within a contract; identifying performance obligations and how they are satisfied will directly affect when revenue is recognized.

STEP 3: DETERMINE THE TRANSACTION PRICE

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring goods or services. To determine the transaction price, an entity would consider the terms of

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CPAs STANDING in the GAAP



BY KEITH A. LANGLEY

SURETY UNDERWRITERS NEED adequate, reliable, and uniform financial information, presented according to generally accepted accounting principles (GAAP). Whether the contractor is in Miami or Maui, the surety looks to the acknowledged financial industry expert, the certified public accountant (CPA). The promise made by the CPA regarding a construction company audit, which is set forth by the American Institute of Certified Public Accountants (AICPA), is that the audited financial statements of the contractor are maintained in accordance with GAAP and the audit is designed and conducted in accordance with generally accepted auditing standards (GAAS). What do these representations mean; how are they relied upon by the surety; and what should happen if the promises are untrue?

Starting with the last question first, fixing of the blame, just as all politics are local, the answer to this question is determined by local law. Basically, the question is whether the surety has the right to rely upon the audits and, therefore, has the right to sue if the audits are negligently performed. I will use Texas as an example, as Texas is one of the states where the author is licensed and Texas follows a fairly modern view on the issue. Texas follows the modern legal approach, as set forth in the Restatement of Torts, adopted by some states, which allows an intended third party (such as a surety), justifiably relying upon the audit, to bring a cause of action against the CPA for negligent misrepresentation. *See Grant Thornton LLP v. Prospect High Income Fund*, 314 S.W.3d 913 (Tex. 2010) (Supreme Court of Texas provides an overview of auditor liability to third parties and confirms its adoption of the Restatement approach); Restatement (Second) of Torts § 552(1), Information Negligently Supplied for the Guidance of Others.

If the surety can rely on the audit and can sue if the audit is erroneous, we need to understand how and why the surety relies on the audit and why and how the auditor is in a better position on a number of areas to have superior knowledge and to be the cheapest cost avoider.

How the Surety Relies on CPAs

The surety relies on the CPA to be independent; to maintain professional skepticism; to understand and test the internal controls of the contractor; and to evaluate, analyze, and test key issues, including underbillings, cash flow, profit gain/fade, and so forth. *See Travelers Casualty and Surety Co. of America v. Ernst & Young LLP*, 542 F.3d 475 (5th Cir. 2008) (evidence was sufficient to prove that the surety reasonably relied on the financial statements negligently prepared by the accounting firm).

The audit and the validation of the integrity of the internal controls support the three Cs – character, capital, and capacity – in the following manner:

- 1. Character:** The surety must have the ability to assess the character for truthfulness of the contractor. The audit is an important tool in this pursuit. By validation of the internal controls showing that the contractor is fairly and truthfully reporting its financial condition, the audit contributes to the transparency that is critically important to the surety.
- 2. Capital:** The construction industry is capital intensive. Some contracting areas require extensive capital due to the use of heavy equipment. There may be long time frames during which the contractor must wait for receipt of contract proceeds, specially fabricate material, and apply capital for various other reasons. The audit must be designed and administered to investigate and determine that this capital is real and not illusory. Whether Madoff, Enron, Stanford, or various other examples, illusory capital can be accomplished in many creative ways. Hard work and experience and knowledge must be applied to determine validity of stated capital.
- 3. Capacity:** The audit applies to capacity relative to work program, backlog, and so on.

Why the Surety Relies on CPAs

The surety relies on CPAs because, among other things, its underwriters are likely not accountants, much less certified public accountants; the underwriters may not be geographically located in close proximity to the contractor's offices and projects; and they do not have the specialized knowledge, training, and experience in construction accounting that an auditor of a construction company has.

The CPA auditing a construction company holds herself or himself out to have particular knowledge, expertise, and skill with construction accounting. Construction accounting is a specialized area. It requires understanding of the construction process, capital structure, the percentage of completion method of accounting, payments, retainage,

claims, and other issues. In order to successfully audit a construction company client, a CPA must understand these issues. For these reasons, and more, it is critical for a construction contractor or subcontractor seeking a CPA to examine the background of the potential CPA to ensure that she or he is immersed in construction industry knowledge and experience.

The CPA also has superior knowledge due to access to the contractor, the management of the contractor, the locational advantage by having personnel literally on the ground where the contractor's office is located and the books and records are maintained and often where the projects are located, and the permission of the contractor to communicate with third parties such as owners and other parties contracting with the contractor. There can be a risk of too much familiarity if the CPA spends too much time with clients. Professional CPAs, however, are acutely aware of this risk and should work to minimize any erosion of professional skepticism.

The CPA also generally has year-over-year knowledge about performance of the contractor on long-duration projects and can reconcile issues across audit years. In all of these things, according to GAAS, it is the job of the CPA to exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit, including identifying and assessing risks of material misstatement, whether due to fraud or error. The AICPA professional standards state that GAAS means that the auditor must understand the entity and its environment, including the entity's internal control; must obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risk; and form an opinion on the financial statements based on an evaluation of the audit evidence obtained. *See Travelers Casualty and Surety Co. of America*, 542 F.3d at 486 ("the applicable accounting standards required an



auditor to obtain sufficient evidentiary matter to ensure the validity of the figures presented in a company's financial statements").

Cheapest Cost Avoider

The CPA is in a unique position to uncover problems where the contractor's books and records are not being maintained according to GAAP. The best time to address and correct issues is early; as Benjamin Franklin advised, an ounce of prevention is worth a pound of cure. A contractor notified early on of a problem in its accounting and internal controls can adjust through capitalizing the company, changing personnel who caused the problem, improving project management, and adjusting work scope if the job results are not as believed or represented by the financial statements. Unfortunately, if problems are allowed to exist, persist, and grow, then bad decisions are made by both the contractor and others relying on those financial statements, including the surety. When a contractor defaults on projects and cannot perform, a lot of bad things happen: the projects stop, people lose their jobs, re-let packages have to be prepared through a costly process, a new contractor has to come on, and liquidated damages mount.

Construction Cycles

The construction industry is cyclical. Accordingly, at times there is much work, profits are good, and the contractor is flush with cash. At other times the contractor has little work while still heavily invested in equipment, personnel, or otherwise;

and profits, if any, are thin and cash is leaner.

In order for the internal controls of the contractor to properly account for and display fairly the results of operations, the accountant/auditor must understand these intricacies and cycles. The CPA must also understand how a contractor might be tempted to inappropriately and improperly display financial transactions and results due to the financial needs to remain in covenant with a lender or to be able to qualify for sufficient bonding credit to bid projects of a particular size. When the auditor does not understand the issues and does not maintain professional skepticism, but instead unwisely relies upon representations of management, the audit process is compromised; and the CPA falls out of compliance with GAAS. At that point the parties relying upon the audit may seek recourse by a lawsuit for negligent misrepresentation or other causes of action.

The failure of the auditor negatively impacts parties relying upon the audit. This certainly includes the contractor. The auditor is not doing a favor to the contractor by failing to be open and honest and failing to ask tough questions. When the auditor does not do the job properly according to GAAS and work to make sure that the audited financial statements of the contractor are fairly presented and maintained according to GAAP, everyone loses. The entire strategy of the contractor is inappropriate if the contractor does not recognize – is not forced to recognize – the economic reality of the situation. The contractor may continue to bid on larger jobs, fail

to rein in capital expenditures, and fail to recognize problems with estimation, which would lead to correction, including replacement of certain personnel. Not taking corrective action prevents the contractor from adjusting to the current economic realities.

The Contractor's and the Subcontractor's Due Diligence

A contractor or a subcontractor needs to research and perform due diligence when selecting a CPA. Not all CPAs are well versed in construction accounting. Not all CPAs understand the critical importance of transparency and professional skepticism to make sure that financial transactions are properly and fairly represented.

If the auditor does not do her or his job, then this failure needs to be addressed. CPAs who have construction industry knowledge and experience; understand, apply, and maintain professional skepticism; exercise due professional care; understand and apply proper construction accounting and GAAP rules; and implement the audit procedures according to GAAS are the accounting professionals with whom contractors and subcontractors should seek to forge long-term professional relationships. It only makes good business sense for a construction firm to select a CPA immersed in auditing construction companies. When seeking surety credit, such a construction firm will have the advantage of offering to the surety an independent process and an accurate, proper, and fair picture of the firm's financial transactions. In such circumstances, sureties will have greater assurance that they can rely upon the integrity of the independent audit process and the work product of the auditors. ●

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construction CPA firms, and the members of the Construction Industry CPAs/Consultants Association.

"The links section is impressive," said Spencer. "There are so many different government agencies involved in construction that one can get frustrated searching for the appropriate site."

Newton said, "The directories are invaluable in that they assist the contractor in finding the true surety professionals who can provide the best surety assistance."

Spencer predicted, "The next generation of construction owners are used to immediate information being

available on the Web; sites like this are what they want and will use."

Despite the wealth of information available at SuretyLearn.org, the neat, simple layout makes it easy to navigate through and find what one wants.

"I like the elegant simplicity of it—very straightforward and easy to navigate," said Newton.

"The website is well laid out and is user friendly," Guignard added.

Resource for Surety Professionals, Too

Newton said the website will benefit surety bond producers by providing a

resource to help educate clients and prospects about the surety process. Sometimes changes in a construction client's operations and management are necessary, he said, and the information on the website reinforces the process a surety professional will discuss and implement with the contractor.

Spencer said, "We are using the website to help train our newer producers and also to reeducate some of our long-term accounts. The information on indemnity agreements is very useful, as this is one of the more misunderstood documents in our business." ●

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the contract, its customary business practices and the effects of the time value of money, variable and noncash consideration as well as consideration payable to the customer. Variable consideration will be included in the transaction price to the extent it is probable that a significant revenue reversal will not occur. Consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

STEP 4: ALLOCATE THE TRANSACTION PRICE TO THE PERFORMANCE OBLIGATIONS IN THE CONTRACT

The transaction price would be allocated to all performance obligations that require separate accounting based on their relative standalone selling price. The best evidence of standalone selling price would be the observable price for which the entity sells the good or service separately. In the absence of separate observable sales, the standalone selling price would be estimated.

STEP 5: RECOGNIZE REVENUE WHEN (OR AS) THE ENTITY SATISFIES A PERFORMANCE OBLIGATION

Revenue is recognized when (or as) control of a good or service is transferred to a customer. Satisfaction would occur when the customer has

the ability to direct the use of, and receive the benefits from, the transferred good or service. Revenue can be recognized over time (typically, for transferred services) or at a point in time (typically, for transferred goods).

ALTERNATIVE TRANSITION METHOD

Contractors can retrospectively apply the new revenue standard or use an alternative transition method that provides for certain practical expedients. The alternative transition method requires an entity to apply the new guidance only to contracts not completed under legacy GAAP at the date of initial application and recognize the cumulative effect of adoption as an adjustment to the opening balance of retained earnings in the year of initial application. An entity choosing to apply the alternative transition method would not restate comparative years, but it would be required to provide additional disclosures in the initial year of adoption.

STAY INFORMED

The issuance of the final standard is not the end; rather it is just the beginning. CFMA, American Institute of Certified Public Accountants, FASB, and many other organizations will be developing information related to the impact on the construction industry. The hard work that was done over the

past few years has resulted in a new standard that retains much of the revenue recognition accounting for construction contracts that we are all familiar with; but terminology has changed, and there are some new twists that will have to be evaluated and accounted for.

NASBP maintains a strong relationship with CFMA, and as a result the NASBP membership benefits from many initiatives and programs jointly undertaken by the two associations.

For news and information on this standard, visit CFMA's Revenue Recognition Hub at www.cfma.org/revenuerecognition. ●

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2014 NASBP Resource Directory

Ensure that you are connected to the right people; peruse this first publication of the NASBP Resource Directory, which will be published annually in the fall issue of the NASBP *Surety Bond Quarterly* magazine.

The 2014 NASBP Resource Directory contains a geographical listing of the NASBP membership. The following pages 39 to 56 include Members: bond producer agencies; Affiliates: managing general agencies, reinsurance companies, reinsurance brokers, and surety companies; and Associates: certified public accounting firms. These are the specialist firms that help construction and other businesses qualify for and maintain surety credit.

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Fax: 205.823.7981
www.anchoragent.com

Cobbs Allen
115 Office Park Drive, Suite 200
Birmingham, AL 35223
Tel: 205.414.8100
Fax: 205.414.8105
www.cahins.com

HRA Risk Services, LLC
3016 7th Avenue South
Birmingham, AL 35233
Tel: 205.874.7800
Fax: 205.879.1946
www.hrariskservices.com

McGriff, Seibels & Williams, Inc.
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Birmingham, AL 35233
Tel: 205.252.9871
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www.mcgriff.com

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Montgomery, AL 36104
Tel: 334.263.5535
Fax: 334.264.3375
www.starkeagency.com

Turner Insurance & Bonding Co.
2601 Bell Road
Montgomery, AL 36117
Tel: 334.244.0004
Fax: 334.244.6556
www.tibcoinc.com

ALASKA

Business Insurance Associates, Inc.
1503 West 32nd Avenue
Anchorage, AK 99503
Tel: 907.274.4142
Fax: 907.274.8721
www.businessinsuranceassociates.com

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Fax: 907.276.6292
www.marshmclennanagency.com

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Fax: 520.722.7245
www.lovitt-touche.com

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Phoenix, AZ 85008
Tel: 602.273.1625
Fax: 602.273.0212
www.minardames.com

Surety Placement Services, LLC
7975 North Hayden Road, Suite C-300
Scottsdale, AZ 85258
Tel: 480.419.2456
Fax: 480.419.8532
www.suretyplace.com

Viking Bond Service, Inc.
22601 N 19th Avenue, Suite 210
Phoenix, AZ 85027
Tel: 623.933.9334
Fax: 623.933.9376
www.performanceuretybonds.com

Willis of Arizona, Inc.
16220 North Scottsdale Road
Scottsdale, AZ 85254
Tel: 602.787.6022
Fax: 602.787.8040
www.willis.com

ARKANSAS

BancorpSouth Insurance Services, Inc.
8315 Cantrell Road
Little Rock, AR 72227
Tel: 501.664.7705
Fax: 501.664.8052
www.bancorpsouthinsurance.com

Regions Insurance
1500 Riverfront Drive
Little Rock, AR 72202
Tel: 501.661.4800
Fax: 501.666.9592
www.regionsinsurance.com

The Cashion Company, Inc.
321 Scott Street
Little Rock, AR 72201
Tel: 501.376.0716
Fax: 501.376.2118
www.cashionco.com

CALIFORNIA

Alliant Insurance Services, Inc.
701 B. Street, 6th Floor
San Diego, CA 92101-8156
Tel: 212.915.6857
Fax: 619.699.2110
www.alliantinsurance.com

Arthur J. Gallagher & Co.
45 E. River Park Place West, Suite 605
Fresno, CA 93720
Tel: 559.436.0833
Fax: 559.256.6590
www.ajg.com

Arthur J. Gallagher & Co.
1255 Battery Street, Suite 450
San Francisco, CA 94111
Tel: 415.391.1500
Fax: 415.391.1869
www.ajg.com

Arthur J. Gallagher & Co.
Risk Management Services, Inc.
One Almaden Boulevard, 960
San Jose, CA 95113
Tel: 408.973.9500
Fax: 408.257.2985
www.ajg.com

Barney & Barney, LLC
9171 Towne Center Drive, Suite 500
San Diego, CA 92122-5638
Tel: 858.457.3414
Fax: 858.453.5661
www.barneyandbarney.com

BB&T - Insurance Services of
Orange County
680 Langsdorf Drive, Ste 100
Fullerton, CA 92831
Tel: 714.578.7040
Fax: 877.297.1102
http://insurance.bbt.com

BB&T - John Burnham Insurance Services
750 B Street, Suite 2400
San Diego, CA 92101
Tel: 619.231.1010
Fax: 888.770.6295
www.insurance.bbt.com

BB&T - Tanner Insurance Services
4480 Willow Road
Pleasanton, CA 94566
Tel: 925.598.2638
Fax: 888.770.1943
http://insurance.bbt.com

Blaisdell Bonding &
Insurance Services, Inc.
770 South Brea Blvd., Suite 205
Brea, CA 92821
Tel: 714.674.1921
Fax: 714.672.0625
www.blaisdellbonding.com

Bolton & Company
3475 E. Foothill Boulevard, Suite 100
Pasadena, CA 91107
Tel: 626.799.7000
Fax: 626.441.3233
www.boltonco.com

Bond Connection
P.O. Box 4164
Dana Point, CA 92629
Tel: 949.248.1543
Fax: 949.248.2302
www.bondconnection.com

Bond Services of California, LLC
523 West 6th Street #242
Los Angeles, CA 90014
Tel: 213.628.2970
Fax: 213.628.2977
www.bondservices.com

Buckman-Mitchell, Inc.
500 N Santa Fe
Visalia, CA 93292
Tel: 559.635.3518
Fax: 559.750.5461
www.bminc.com

Cavignac & Associates
Bank of America Building
450 B Street, Suite 1800
San Diego, CA 92101-8005
Tel: 619.234.6848
Fax: 619.234.8601
www.cavignac.com

Contractors & Developers Bonding
534 East Badillo Street
Covina, CA 91723
Tel: 626.859.1000
Fax: 626.859.1001
www.cndbonding.com

Culbertson Insurance Services, Inc.
5500 East Santa Ana Canyon, Suite 201
Anaheim, CA 92807
Tel: 714.921.0530
Fax: 714.921.2096
www.culbertsonbonding.com

Edgewood Partners Insurance Center
135 Main Street, 21st Floor
San Francisco, CA 94005
Tel: 415.356.4841
Fax: 415.284.9947
www.edgewoodins.com

Garrett/Mosier Insurance Services, Inc.
12 Truman
Irvine, CA 92620
Tel: 949.559.6700
Fax: 949.559.6703
www.garrett-mosier.com

George Petersen Insurance Agency
175 W. College Avenue
Santa Rosa, CA 95402
Tel: 707.360.4117
Fax: 707.573.0313
www.gpins.com

Hackett Bonds & Insurance Services LLC
9841 Irvine Center Drive, Suite 160
Irvine, CA 92618
Tel: 949.825.6498
Fax: 949.825.7496

HUB International Insurance Services, Inc.
4371 Latham Street, Suite 201
Riverside, CA 92501
Tel: 951.778.8500
Fax: 951.788.8502
www.hubinternational.com

HUB International Limited
6701 Center Drive, Suite 1500
Los Angeles, CA 90045
Tel: 310.568.5900
Fax: 310.568.9098
www.hubinternational.com

InterWest Insurance Company, Inc.
1357 East Lassen Avenue
Chico, CA 95927
Tel: 530.895.1010
Fax: 530.895.1206
www.iwins.com

InterWest Insurance Services, Inc.
3636 American River Drive, Second Floor
Sacramento, CA 95864
Tel: 916.488.3100
Fax: 916.979.7992
www.iwins.com

ISU Stephen B. Marvin Insurance Agency
43700 17th Street West, Suite 101
Lancaster, CA 93534
Tel: 661.942.1101
Fax: 661.945.7540
www.marvinins.com

Jenkins Insurance Group
2552 Stanwell Drive
Concord, CA 94520
Tel: 925.798.2780
Fax: 925.798.1378
www.jenkins-athens.com

Lockton Companies, LLC
725 S. Figueroa Street, 35th Floor
Los Angeles, CA 90017
Tel: 213.689.0501
Fax: 213.689.0593
www.lockton.com

M.B. McGowan & Associates
Insurance Agency, Inc.
7250 Redwood Blvd., Suite 110
Novato, CA 94945
Tel: 415.892.1080
Fax: 415.892.1039
www.mbmccgowan.com

Maloney & Associates
435 West Grand Avenue
Escondido, CA 92025
Tel: 760.738.2610
Fax: 760.738.6855
www.maloneybonds.com

Marsh Risk & Insurance Services
345 California Street, Suite 1300
San Francisco, CA 94111
Tel: 415.743.8219
Fax: 415.743.8094
www.marsh.com

Miller Bonding & Insurance Svcs
2135 Armory Drive
Santa Rosa, CA 95401
Tel: 707.483.0554

Morris & Garritano
1122 Laurel Lane
San Luis Obispo, CA 93401
Tel: 805.543.6887
Fax: 805.543.3064
www.morrisgarritano.com

Pinnacle Surety & Insurance Services
151 Kalmus Drive, Suite A-201
Costa Mesa, CA 92626
Tel: 714.546.5100
Fax: 714.546.3707
www.pinnaclesurety.com

Poms & Associates
Insurance Brokers, Inc.
1255 Treat Boulevard, 10th Floor
Walnut Creek, CA 94597
Tel: 925.338.8412
Fax: 866.765.8385
www.pomsassoc.com

Preferred Bonding & Insurance Services
1800 McCollum Street
Los Angeles, CA 90026
Tel: 323.663.7814
Fax: 323.663.7834
www.preferredbonding.com

South Coast Surety Insurance
Services, Inc.
1100 Via Callejon, Suite A
San Clemente, CA 92673
Tel: 949.361.1692
Fax: 949.361.9926
www.southcoastsurety.com

Stong Surety Insurance Services
4850 Arlington Avenue, Suite B
Riverside, CA 92504
Tel: 951.343.0382
Fax: 951.343.1219
www.stongsurety.com

Sullivan Curtis Monroe
1920 Main Street, Suite 600
Irvine, CA 92614
Tel: 949.852.4829
Fax: 949.474.4067
www.sullivancurtismonroe.com

Surety Associates of Southern
California Insurance Services
5360 Jackson Drive, Suite 208
La Mesa, CA 91942
Tel: 619.501.1899
Fax: 619.270.9833
www.sascbonds.com

Venbrook Insurance Services
445 Marine View Avenue, Suite 200
Del Mar, CA 92014
Tel: 858.764.7447
Fax: 858.764.7874
www.venbrook.com

Warren G. Bender Co.
516 Gibson Drive, Suite 240
Roseville, CA 95678
Tel: 916.380.5300
Fax: 916.380.5206
www.wgbender.com

Wells Fargo Insurance Services
1039 W. McDowell Boulevard
Petawna, CA 94954
Tel: 707.773.1873
Fax: 707.773.1909
https://wfs.wellsfargo.com

Wells Fargo of California Insurance
Services, Inc.
11017 Cobblerock Drive, Suite 100
Rancho Cordova, CA 95670
Tel: 800.257.4860
Fax: 916.231.1478
https://wfs.wellsfargo.com

Wells Fargo of California
Insurance Services, Inc.
21250 Hawthorne Boulevard, Suite 600
Torrance, CA 90503-5502
Tel: 310.792.8406
Fax: 310.543.9175
https://wfs.wellsfargo.com

Willis Insurance Services of
California, Inc.
18101 Von Karman Avenue, Suite 600
Irvine, CA 92612-1041
Tel: 949.885.1206
Fax: 949.885.1225
www.willis.com

Woodruff-Sawyer & Co.
50 California Street, Floor 12
San Francisco, CA 94111
Tel: 415.391.2141
Fax: 415.989.9923
www.wsandco.com

COLORADO

CoWest Insurance Associates, LLC
1720 S. Bellaire Street #200
Denver, CO 80222
Tel: 720.524.9344
Fax: 720.524.9352
www.cowest.com

Flood & Peterson Insurance, Inc.
639 Stoneham Court
Fort Collins, CO 80525
Tel: 970.266.8710
Fax: 970.266.8715
www.fpinsurance.com

Flood & Peterson Insurance
4687 West 18th Street
Greeley, CO 80634
Tel: 970.356.0123
Fax: 970.330.1867
www.fpinsurance.com

HUB International Insurance Services, Inc.
2742 Crossroads Boulevard
Grand Junction, CO 81506
Tel: 970.245.8011
Fax: 866.243.0727
www.hubinternational.com

IMA, Inc.
1705 17th Street, Suite 100
Denver, CO 80202
Tel: 303.534.4567
Fax: 303.615.7805
www.imacorp.com

Lockton Companies, LLC
8110 East Union Avenue, Suite 700
Denver, CO 80237
Tel: 303.414.6000
Fax: 303.865.6327
www.lockton.com

Marsh USA, Inc.
1225 17th Street, Suite 2100
Denver, CO 80202
Tel: 303.308.4500
www.marsh.com

Moody Insurance Agency, Inc.
8055 East Tufts Avenue, Suite 1000
Denver, CO 80237
Tel: 303.824.6600
Fax: 303.370.0118
www.moodyins.com

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3630 Sinton Road, Suite 200
Colorado Springs, CO 80907
Tel: 719.590.9990
Fax: 719.590.9992
www.six-geving.com

Surescape Insurance Services, LLC
7800 S. Elati Street, Suite 100
Littleton, CO 80120
Tel: 303.225.8030
Fax: 303.225.8034
www.surescapeins.com

Van Gilder Insurance Corp.
1515 Wynkoop Street, Suite 200
Denver, CO 80202
Tel: 303.831.5274
Fax: 303.831.5146
www.vgic.com

Wells Fargo Insurance Services USA, Inc.
5755 Mark Dabbling Boulevard, Suite 300
Colorado Springs, CO 80919-2228
Tel: 719.592.1177
Fax: 719.592.0799
<https://wfs.wellsfargo.com>

Willis of Colorado, Inc.
2000 S. Colorado Boulevard
Tower II, Suite 900
Denver, CO 80222
Tel: 303.722.7776
Fax: 303.722.8862
www.willis.com

CONNECTICUT

Como & Nicholson, Inc.
501 Main Street, Suite 2D
Monroe, CT 06468
Tel: 203.445.8388
Fax: 203.445.8334
www.como-nicholson.com

John M. Glover Agency
29 Haviland Street
South Norwalk, CT 06854
Tel: 203.838.5554
Fax: 203.857.7848
www.johnmglover.com

Lockton Companies, LLC
195 Scott Swamp Road, Suite 201
Farmington, CT 06032
Tel: 860.678.4000
Fax: 860.678.4029
www.lockton.com

R.C. Knox and Company, Inc.
One Goodwin Square
Hartford, CT 06103-4305
Tel: 860.524.7600
Fax: 860.240.1598

Smith Brothers Insurance, Inc.
68 National Drive, Suite 2
Glastonbury, CT 06033-4314
Tel: 860.652.3235
Fax: 860.652.3236
www.smithbrothersusa.com

The J. Biron Agency, Inc.
1 Forest Park Drive, Suite 7
Farmington, CT 06032
Tel: 860.436.3880
Fax: 860.436.3883
www.jbiron.com

The Kerin Agency, Inc.
131 Day Street
Newington, CT 06111
Tel: 860.953.6881
Fax: 860.953.4059
www.kerinagency.com

DELAWARE

Anderson & Catania Surety Services, LLC
707 Philadelphia Pike
Wilmington, DE 19809
Tel: 302.762.7599
Fax: 302.762.7939
www.acsurety.com

DISTRICT OF COLUMBIA

Marsh USA, Inc.
1255 - 23rd Street, NW, 4th Floor
Washington, DC 20037
Tel: 202.263.7600
Fax: 202.263.7839
www.marsh.com

Wells Fargo Insurance Services
1401 H Street, NW, 7th Floor
Washington, DC 20005
Tel: 202.783.5810
<https://wfs.wellsfargo.com>

FLORIDA

BB&T - Landrum-Yaeger & Associates
3375 B Capital Circle, NE
Tallahassee, FL 32308
Tel: 850.386.2143
Fax: 888.328.1326
<http://insurance.bbt.com>

Bowen, Miclette & Britt of Florida, LLC
1020 North Orlando Avenue, Suite 200
Maitland, FL 32751
Tel: 407.647.1616
Fax: 407.622.1531
www.hshinc.com

Brown & Brown of Florida
220 S. Ridgewood Avenue
Daytona Beach, FL 32119
Tel: 386.252.9601
Fax: 386.239.5705
www.bbinsurance.com

Fisher Brown Bottrell Insurance, Inc.
1701 West Garden Street
Pensacola, FL 32501-0711
Tel: 850.432.7474
Fax: 850.470.2660
www.fbbins.com

Florida Surety Bonds, Inc.
620 North Wymore Road, Suite 200
Maitland, FL 32751
Tel: 407.786.7770
Fax: 407.786.7766
www.floridasuretybonds.com

Guignard Company
1904 Boothe Circle
Longwood, FL 32750
Tel: 407.834.0022
Fax: 407.260.1767
www.guignardcompany.com

Lykes Insurance Inc.
400 N Tampa Street, Suite 1900
Tampa, FL 33602
Tel: 813.223.3911
Fax: 813.221.1857
www.lykesinsurance.com

Matson-Charlton Surety Group
700 South Dixie Highway, Suite 100
Coral Gables, FL 33146
Tel: 305.662.3852
Fax: 305.661.9948
www.mcsurety.com

Nielson, Hoover & Company, Inc.
8000 Governors Square Blvd., Ste 101
Miami Lakes, FL 33016
Tel: 305.722.2663
Fax: 305.558.9650
www.nielsonbonds.com

Seitlin a Marsh & McLennan Agency
1601 Belvedere Road
Suite 300 East Tower
West Palm Beach, FL 33406
Tel: 561.424.4312
Fax: 561.424.4313
www.seitlin.com

Unique Surety and Insurance
Services, LLC
3801 PGA Boulevard Suite 600
Palm Beach Garden, FL 33410
Tel: 561.429.3600
Fax: 561.899.0650
www.bondwithunique.com

Wells Fargo Insurance Services USA, Inc.
2054 Parkway, Suite 400
West Palm Beach, FL 33411
Tel: 561.655.5500
Fax: 855.420.6662
<https://wfs.wellsfargo.com>

GEORGIA

BB&T - Huffines-Russell Insurance
Services
3100 Royal Boulevard South
Alpharetta, GA 30023
Tel: 770.664.6818
Fax: 888.827.9864
<http://insurance.bbt.com>

Marsh USA, Inc.
3475 Piedmont Road, NE, Suite 1200
Atlanta, GA 30305
Tel: 404.995.3000
Fax: 404.995.3448
<http://usa.marsh.com>

PentaRisk Associates of GA, LLC
3715 Northside Parkway, Building 400
Atlanta, GA 30327
Tel: 404.809.2530
Fax: 404.809.2531
<http://pentarisk.com>

Sterling Risk Advisors
2500 Cumberland Parkway, Suite 400
Atlanta, GA 30339
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Fax: 678.424.6585
www.sterlingriskadvisors.com

Wells Fargo Insurance Services
3475 Piedmont Road, Suite 800
Atlanta, GA 30305
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Fax: 404.255.4454
<https://wfs.wellsfargo.com>

Willis Insurance Services of Georgia, Inc.
Concourse Corporate Center 5, 18th Floor
Atlanta, GA 30328
Tel: 404.224.5000
Fax: 404.224.5001
www.willis.com

Yates Insurance Agency
2800 Century Parkway, NE, Suite 300
Atlanta, GA 30345
Tel: 404.633.4321
Fax: 404.633.1312
www.yatesins.com

GUAM

Cassidy's Associated Insurers, Inc.
376 West O' Brien Drive
Hagatna, GU 96910
Tel: 671.472.8834
Fax: 671.477.3127
www.cassidysguam.com

HAWAII

King & Neel, Inc.
1164 Bishop Street, Suite 1710
Honolulu, HI 96813
Tel: 808.521.8311
Fax: 808.526.3893
www.kingneel.com

Risk Solution Partners, LLC
800 Bethel Street, Suite 201
Honolulu, HI 96813
Tel: 808.954.7448
Fax: 808.954.7444
www.risksolutionpartners.com

IDAHO

Higgins & Rutledge Insurance, Inc.
1661 Shoreline Drive, Suite 100
Boise, ID 83702
Tel: 208.343.7741
Fax: 208.343.9371
www.higginsrutledge.com

PayneWest Insurance, Inc.
University Plaza
960 Broadway Ave, Suite 100
Boise, ID 83706
Tel: 208.424.2900
Fax: 208.424.2999
www.pfg-insurance.com

The Buckner Group
960 PierView Drive Suite A, Suite 303
Idaho Falls, ID 83402
Tel: 801.866.0833
Fax: 801.866.0867
www.buckner.com

The Hartwell Corporation
1220 Cleveland Boulevard
Caldwell, ID 83606
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Fax: 208.484.1114
www.thehartwellcorp.com

The Hartwell Corporation
1 Airport Plaza
1084 North Skyline
Idaho Falls, ID 83402
Tel: 208.522.5656
Fax: 208.524.5721
www.thehartwellcorp.com

ILLINOIS

AEW Insurance Agency, LLC
929 West Adams Street
Chicago, IL 60607
Tel: 312.563.5941

Arthur J. Gallagher Risk
Management Services, Inc.
Two Pierce Place, 6th Floor
Itasca, IL 60143
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Fax: 630.285.3631
www.ajg.com

Assurance Agency, Ltd.
One Century Centre
1750 East Golf Road
Schaumburg, IL 60173
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Fax: 847.670.0484
www.assuranceagency.com

Avalon Risk Management
Insurance Agency LLC
150 Northwest Point Boulevard
Elk Grove Village, IL 60007
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Fax: 847.700.9116
www.avalonrisk.com

Brown & Brown of Illinois, Inc. dba
Weible & Cahill
2300 Cabot Drive Suite 100
Lisle, IL 60532
Tel: 630.245.4600
Fax: 630.245.4601
www.bbinsurance.com

Dohn & Maher Associates
4811 Emerson Avenue, Suite 102
Palatine, IL 60067-7416
Tel: 847.303.6800
Fax: 847.303.6963
www.dohn.com

DS&P Insurance Services, Inc.
1900 E Golf Road, Suite 600
Schaumburg, IL 60173
Tel: 847.934.6100
Fax: 847.934.6180
www.dspins.com

HUB International Limited
300 North LaSalle Street
Chicago, IL 60654
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Fax: 877.402.6606
www.hubinternational.com

HUB International Scheer's
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Westmont, IL 60559
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Fax: 630.468.5695
www.hubinternational.com

Lockton Companies, LLC
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Fax: 312.681.6900
www.lockton.com

Marsh USA, Inc.
540 W. Madison Street
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Fax: 312.627.6226
www.marsh.com

Mesirow Financial
353 North Clark Street
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Fax: 312.595.7205
www.mesirowfinancial.com

Roanoke Insurance Group Inc.
1475 East Woodfield Road, Suite 500
Schaumburg, IL 60173-4903
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Fax: 847.969.8200
www.roanoketrade.com

Schwartz Brothers Insurance Agency, Inc.
500 West Madison Street, #2700
Chicago, IL 60661
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Fax: 312.630.0833
www.schwartzbrothers.com

The Forker Company
2019 No. Elizabeth Drive
Arlington Heights, IL 60004
Tel: 847.392.9720
Fax: 847.392.9730

The Horton Group
10320 Orland Parkway
Orland Park, IL 60467
Tel: 708.845.3000
Fax: 708.845.3001
www.thehortongroup.com

The Rockwood Company
20 North Wacker Drive, Suite 960
Chicago, IL 60606
Tel: 312.621.2200
Fax: 312.621.2288
www.rockwoodco.com

Wells Fargo Insurance Services USA, Inc.
10 S. Wacker Drive, 17th Floor
Chicago, IL 60606
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Fax: 312.658.4100
https://wfis.wellsfargo.com

INDIANA

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South Bend, IN 46601-1817
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Fax: 574.236.6399
www.gibsonins.com

Insurance Partners, Inc.
8909 Purdue Road, Suite 105
Indianapolis, IN 46268
Tel: 317.293.7300
Fax: 317.290.0752
http://insurancepartnersinc.com

M.J. Schuetz Insurance Services, Inc.
55 Monument Circle, Suite 500
Indianapolis, IN 46204-5911
Tel: 317.639.5679
Fax: 317.639.6910
www.mjsis.com

M-J Insurance, Inc.
9225 Priority Way West Drive, Suite 100
Indianapolis, IN 46240
Tel: 317.805.7500
Fax: 317.805.7515
www.mjinsurance.com

Seitz Agency, Inc.
25 West High Street
Lawrenceburg, IN 47025-1993
Tel: 812.537.0264
Fax: 812.537.1934

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Fax: 317.815.6036
www.tobias.com

IOWA

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Tel: 515.309.6200
Fax: 515.309.6225
www.ajg.com

Holmes Murphy & Associates, Inc.
3001 Westown Parkway
West Des Moines, IA 50266-1321
Tel: 515.223.6800
Fax: 515.223.7068
www.holmesmurphy.com

LaMair-Mulock-Condon Co.
4200 University Avenue, Suite 200
West Des Moines, IA 50266-5945
Tel: 515.244.0166
Fax: 515.244.9535
www.lmcinsurance.com

KANSAS

Cornerstone
4400 College Boulevard
Overland Park, KS 66211
Tel: 913.378.1050
www.cornerstoneinsurancegroup.com

Cretcher Heartland LLC
4551 West 107th Street, Third Floor
Overland Park, KS 66207
Tel: 913.341.8998
Fax: 913.341.2923
www.cretcherheartland.com

George J. Siebers & Co., Inc.
8500 Shawnee Mission Parkway
Merriam Oaks, Suite 111
Merriam, KS 66202
Tel: 913.236.4900
Fax: 913.236.5145

Haas & Wilkerson Insurance
4300 Shawnee Mission Parkway
Shawnee Mission, KS 66205
Tel: 913.432.4400
Fax: 913.432.6159
www.hwins.com

IMA, Inc.
51 Corporate Woods
9393 W. 110th St., Suite 600
Overland Park, KS 66210
Tel: 913.982.3693
Fax: 913.982.3495
www.imacorp.com

IMA, Inc.
8200 E 32nd Street North
Wichita, KS 67226-2622
Tel: 316.267.9221
Fax: 316.266.6328
www.imacorp.com

Schifman, Remley & Associates
5201 Johnson Drive, Suite 500
Mission, KS 66205
Tel: 913.831.1777
Fax: 913.831.4730
www.srains.com

Surety Support Services Inc.
7255 West 98th Terrace, Suite 170
Overland Park, KS 66212
Tel: 913.385.7760
Fax: 913.385.7699
http://www.suretyss.com

The Miller Group
6363 College Boulevard
Overland Park, KS 66211
Tel: 816.333.3000
Fax: 816.822.1634
www.millercare.com

KENTUCKY

Assured NL Insurance Agency, Inc.
2305 River Road
Louisville, KY 40206
Tel: 502.894.2100
Fax: 502.894.8602
www.neacelukens.com

BB&T Insurance Services
200 W. Vine Street
Lexington, KY 40507
Tel: 859.422.3788
Fax: 859.422.3899
http://insurance.bbt.com

BB&T Insurance Services
2600 Eastpoint Parkway
Louisville, KY 40223
Tel: 502.241.2400
Fax: 866.881.2185
http://insurance.bbt.com

Garrett-Stotz Company
1601 Alliant Avenue
Louisville, KY 40299-6338
Tel: 502.415.7000
Fax: 502.415.7001
www.garrett-stotz.com

L A Surety Solutions, LLC
121 S. Sherrin Avenue, Suite 150
Louisville, KY 40207
Tel: 502.895.9377
Fax: 502.895.9690
www.lasurety.net

Smith Manus
2307 River Road, Suite 200
Louisville, KY 40206
Tel: 502.636.9191
Fax: 502.636.5328
www.smithmanus.com

Sterling G. Thompson Company
545 South Third Street, Suite 300
Louisville, KY 40202
Tel: 502.585.3277
Fax: 502.585.3306
www.sterlingthompson.com

LOUISIANA

Arthur J. Gallagher Risk
Management Services, Inc.
229 Heymann Boulevard
Lafayette, LA 70503
Tel: 337.235.8866
Fax: 337.235.9366
www.ajg.com

Arthur J. Gallagher Risk
Management Services, Inc.
111 Veterans Memorial Blvd., Suite 1130
New Orleans, LA 70005
Tel: 504.888.1100
Fax: 504.888.1299
www.ajg.com

Cory, Tucker & Larrowe, Inc.
3850 N. Causeway Boulevard, #1360
Metairie, LA 70002
Tel: 504.834.5080
Fax: 504.835.7726
www.ctl-inc.com

Ellsworth Corporation
3636 S. I-10 Service Road, Suite 101
Metairie, LA 70001
Tel: 504.455.4545
Fax: 504.455.9449
www.ellsworthcorporation.com

Hogan Agency, Inc.
2411 North Seventh Street
West Monroe, LA 71291
Tel: 318.397.1212
Fax: 318.397.1208
www.hoganagencyinc.com

Insurance Underwriters, Ltd.
2610 Edenborn Avenue
Metairie, LA 70002
Tel: 504.883.2500
Fax: 508.883.2535
www.iulins.com

International Sureties, Ltd.
701 Poydras, Suite 420
New Orleans, LA 70139
Tel: 504.581.6404
Fax: 504.581.1876
www.internationalsureties.com

Louisiana Agencies, LLC
9270 Siegen Lane, Suite 104
Baton Rouge, LA 70810
Tel: 225.768.1313
Fax: 225.768.1314
www.laagencies.com

Louisiana Companies
801 North Boulevard
Baton Rouge, LA 70802
Tel: 225.383.4761
Fax: 337.232.9120
www.lacompanies.com

Querbes & Nelson
214 Milam Street
Shreveport, LA 71101
Tel: 318.221.5241
Fax: 318.429.0599
www.querbes-nelson.com

Regions Insurance
400 Convention Street, Suite 200
Baton Rouge, LA 70802
Tel: 225.927.7575
Fax: 866.255.0200
www.regionsinsurance.com

Wright & Percy Insurance,
a Division of Bancorp
4041 Essen Lane, Suite 400
Baton Rouge, LA 70809
Tel: 225.336.3200
Fax: 225.336.4536
www.wright-percy.com

MAINE

Cross Surety, Inc.
217 Main Street, Suite B-1
Lewiston, ME 04240
Tel: 207.786.6750
Fax: 207.786.6714
www.crossagency.com

Skillsings Shaw & Associates, Inc.
P.O. Box 481, 485 Main Street
Lewiston, ME 04243
Tel: 207.753.7300
Fax: 207.753.7310
www.ssasurety.com

Varney Agency
32 Oak Street
Bangor, ME 04401
Tel: 877.947.8637
Fax: 207.947.1243
www.varneyagency.com

MARYLAND

Allegiance Surety Assoc., Inc.
7901 Sandy Spring Road, Suite 515
Laurel, MD 20707
Tel: 301.369.9155
Fax: 301.369.9453
www.allegiancesurety.com

Alliant Insurance Services, Inc.
Franey Muha Commercial Group
9901 Business Parkway
Lanham, MD 20706
Tel: 301.459.0055
Fax: 301.459.9521
www.alliantinsurance.com

BB&T - Atlantic Risk Management
5850 Waterloo Road, Suite 240
Columbia, MD 21045
Tel: 410.480.4400
Fax: 410.465.1584
www.atlanticrisk.com

BB&T Frederick Underwriters
7200 Bank Court
Frederick, MD 21703
Tel: 301.662.1147
Fax: 301.644.6565
http://insurance.bbt.com

Centennial Surety Associates
251 Najoles Road, Suite H
Millersville, MD 21108
Tel: 301.725.1855
Fax: 301.725.2430
www.centennialsurety.com

Construction Risk Solutions
1447 York Road, Suite 508
Lutherville, MD 21093
Tel: 443.798.7488
Fax: 443.798.7290
www.thecrsteam.com

Delmarva Surety Associates, Inc.
2345 York Road, Suite 302
Timonium, MD 21093
Tel: 410.561.3593
Fax: 410.561.3727
www.delmarvasurety.com

Early, Cassidy & Schilling, Inc.
15200 Omega Drive, Suite 100
Rockville, MD 20850
Tel: 301.948.5800
Fax: 301.948.5959
www.ecsinsure.com

HMS Insurance Associates
20 Wight Avenue, Suite 300
Cockeysville, MD 21030
Tel: 410.337.9755
Fax: 410.337.0551
www.hmsia.com

Insurance Associates, Inc.
21 Church Street, Suite 100
Rockville, MD 20850-4124
Tel: 301.838.9400
Fax: 301.838.9095
www.insassoc.com

M&T Insurance Agency
5530 Wisconsin Avenue, Suite 620
Chevy Chase, MD 20815-4430
Tel: 301.654.3600
Fax: 301.986.0832
www.mtb.com

MASSACHUSETTS

A.A. Dority Company, Inc.
262 Washington Street, Suite 99
Boston, MA 02108
Tel: 617.523.2935
Fax: 617.523.1707
www.aadorty.com

DeSanctis Insurance Agency, Inc.
100 Unicorn Park Drive
Woburn, MA 01801
Tel: 781.935.8480
Fax: 781.933.5645
www.desanctisinsurance.com

Durkin & Durkin Insurance Agency LLC
270 Littleton Road, Suite 32
Westford, MA 01886
Tel: 978.692.7667
Fax: 978.692.6482
www.ddpinsurance.com

Eastern Insurance Group LLC
233 West Central Street
Natick, MA 01760
Tel: 508.620.3423
Fax: 508.651.4723
www.easterninsurance.com

Eastern States Insurance Agency, Inc.
50 Prospect Street
Waltham, MA 02453
Tel: 781.642.9000
Fax: 781.647.3670
www.esia.com

McCue Insurance Agency, Inc.
5 Whittier Street, 4th Floor
Framingham, MA 01701
Tel: 781.461.9434
Fax: 781.461.9651

Phillips Insurance Agency, Inc.
97 Centre Street
Chicopee, MA 01013
Tel: 413.594.5984
Fax: 413.592.1142
www.phillipsinsurance.com

Regan Cleary Insurance LLC
226 Causeway Street, Suite 302
Boston, MA 02114
Tel: 617.305.0347
www.regancleary.com

T.P. Daley Insurance Agency, Inc.
1381 Westfield Street
West Springfield, MA 01089
Tel: 413.788.0971
Fax: 413.739.2645
http://tpdaleyinsurance.com

The Driscoll Agency
93 Longwater Circle
Norwell, MA 02061
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Fax: 781.681.6686
www.driscollagency.com

The Protector Group Insurance
Agency, Inc.
100 Front Street, Suite 800
Worcester, MA 01608
Tel: 508.852.8500
Fax: 508.852.8600
www.protectorgroup.com

MICHIGAN

Guy Hurley Blaser & Heuer, LLC
1080 Kirts Boulevard, Suite 500
Troy, MI 48084
Tel: 248.519.1400
Fax: 248.519.1401
http://ghbh.com

Mapes Insurance Agency, Inc.
2032 Lake Michigan Drive, NW
Grand Rapids, MI 49504
Tel: 616.453.8600
Fax: 616.453.8391
www.mapesinsurance.com

Marsh USA, Inc.
200 Ottawa Avenue NW, Suite 700
Grand Rapids, MI 49503
Tel: 616.233.4200
Fax: 616.233.4398
http://usa.marsh.com

Oakland Companies
888 West Big Beaver Road, Suite 1200
Troy, MI 48084
Tel: 248.647.2500
Fax: 248.647.4689
www.oaklandcompanies.net

Zervos Group, Inc.
24724 Farmbrook Road
Southfield, MI 48037
Tel: 248.355.4411
Fax: 248.355.2188
www.zervosgroup.com

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American Agency, Inc.
5851 Cedar Lake Road
St. Louis Park, MN 55416-1230
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Fax: 952.542.7500
www.americanagencymn.com

Bearence Management Group Company
2010 Centre Pointe Boulevard
Mendota Heights, MN 55120
Tel: 651.227.8405
Fax: 651.227.0507
www.bearence.com

CCI Surety, Inc.
1710 No Douglas Drive, Suite 110
Golden Valley, MN 55422
Tel: 763.543.6993
Fax: 763.512.0430
www.ccisurety.com

Cobb Strecker Dunphy & Zimmermann
150 South 5th Street, Suite 2800
Minneapolis, MN 55402
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Fax: 612.349.2491
www.csdz.com

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Montevideo, MN 56265
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Fax: 320.269.3154
<http://goldleafsurety.com>

Klein Agency, Inc.
3570 N. Lexington Avenue, #206
Shoreview, MN 55126-8058
Tel: 651.484.6461
Fax: 651.484.6861
www.kleinagency.com

Kraus-Anderson Insurance
420 Gateway Boulevard
Burnsville, MN 55337-2790
Tel: 952.707.8200
Fax: 952.890.0535
www.kainsurance.com

Newton Surety Services, LLC dba
Newton Bonding
5620 Memorial Avenue N Suite E
Stillwater, MN 55082
Tel: 651.705.7960
Fax: 651.222.9151
www.newtonbonding.com

R. J. Ahmann Co.
7555 Market Place Drive
Eden Prairie, MN 55344
Tel: 952.941.9452
Fax: 952.947.9793
www.rja.com

RJF, a Marsh &
McLennan Agency LLC Company
7225 Northland Drive North, Suite 300
Minneapolis, MN 55428
Tel: 763.746.8000
Fax: 763.548.8985
www.rjfagencies.com

Rudnik Surety, Inc.
7191 Knollwood Drive
Mounds View, MN 55112
Tel: 763.786.9666
Fax: 763.786.9444
<http://www.rudniksurety.com>

Wells Fargo Insurance Services of
Minnesota, Inc.
400 Highway 169 South, 8th Floor
St. Louis Park, MN 55426
Tel: 952.830.3000
Fax: 952.830.3009
<https://wfls.wellsfargo.com>

Willis of Minnesota, Inc.
1600 Utica Ave South
Minneapolis, MN 55416
Tel: 763.302.7191
Fax: 763.302.7200
www.willis.com

MISSISSIPPI

Alliant Insurance Services, Inc.
460 Briarwood Drive, Suite 400
Jackson, MS 39206
Tel: 601.709.4613
Fax: 601.706.4611
www.alliantinsurance.com

Marchetti Robertson and Brickell
Insurance & Bonding Agency, Inc.
1062 Highland Colony Parkway
Building 200 Suite 175
Ridgeland, MS 39157
Tel: 601.605.3115
Fax: 601.605.4082
www.mrbins.com

Regions Insurance, Inc.
1020 Highland Colony Pkwy, Suite 302
Ridgeland, MS 39157
Tel: 601.790.8500
Fax: 601.790.8558
www.regionsinsurance.com

The Insurance Center/Stewart-Sneed
Hewes/BancorpSouth Insurance Services
213 Porter Avenue
Biloxi, MS 39530
Tel: 228.374.2000
Fax: 228.432.7420
www.bancorpsouthinsurance.com

MISSOURI

Barker-Phillips-Jackson, Inc.
1637 S Enterprise
Springfield, MO 65804
Tel: 417.887.3550
Fax: 417.887.0670
www.bpj.com

J.D. Kutter Insurance Associates, Inc.
800 Market, 18th Floor
St. Louis, MO 63101-2506
Tel: 314.657.2959
Fax: 314.657.2970
www.cjthomas.com

J.W. Terrill, Inc.
825 Maryville Centre Drive, Suite 200
Chesterfield, MO 63017
Tel: 314.594.2700
Fax: 636.728.0883
www.jwterril.com

Lockton Companies, LLC
444 W. 47th Street, Suite 900
Kansas City, MO 64112-1906
Tel: 816.960.9000
Fax: 816.960.9145
www.lockton.com

Lockton Companies, LLC
Three City Place Drive, Suite 900
St. Louis, MO 63141
Tel: 314.432.0500
Fax: 314.812.6540
www.lockton.com

Thomas McGee, L.C.
920 Main, Suite 1700
Kansas City, MO 64105
Tel: 816.842.4800
Fax: 816.472.5018
www.thomasmcgee.com

USI Insurance, Inc.
308 North 21st Street
St. Louis, MO 63103
Tel: 314.436.2399
Fax: 314.342.7170
www.wfl-stl.com

Winter-Dent & Company
P.O. Box 1046
Jefferson City, MO 65102-1046
Tel: 573.634.2122
Fax: 573.636.7500
www.winter-dent.com

MONTANA

Cogswell Insurance Agency LLC
800 9th Street, South
Great Falls, MT 59401
Tel: 406.761.5000
Fax: 406.453.3946
www.cogswellinsurance.com

First West, Inc.
1905 Stadium Drive
Bozeman, MT 59715
Tel: 406.587.5111
Fax: 406.586.0271
www.1stwestinsurance.com

HUB International Limited
100 Park Drive South
Great Falls, MT 59401
Tel: 406.453.1464
Fax: 406.453.0073
www.hubinternational.com

PayneWest Insurance, Inc.
P.O. Box 30638
2323 2nd Avenue North
Billings, MT 59107-0638
Tel: 406.238.1900
Fax: 406.245.9887
www.paynewest.com

PayneWest Insurance, Inc.
1283 North 14th Avenue, Suite 101
Bozeman, MT 59715
Tel: 406.586.3351
Fax: 406.586.0437
www.paynewest.com

PayneWest Insurance, Inc.
1200 N. Montana Avenue
Helena, MT 59604
Tel: 406.442.5360
Fax: 406.442.1678
www.paynewest.com

PayneWest Insurance, Inc.
2925 Palmer Street
Missoula, MT 59808
Tel: 406.532.5911
Fax: 406.532.5817
www.paynewest.com

NEBRASKA

Gene Lilly Surety Bonds, Inc.
3440 O Street
Lincoln, NE 68510
Tel: 402.475.7700
Fax: 402.475.5043
www.glsbinc.com

The Harry A. Koch Co.
14010 FNB Parkway, Suite 300
Omaha, NE 68154
Tel: 402.861.7000
Fax: 402.861.7111
www.hakco.com

NEVADA

Assurance Limited
5740 S Arville, Suite 204
Las Vegas, NV 89118
Tel: 702.798.3700
Fax: 702.238.7101
www.assuranceitld.com

L/P Insurance Services, Inc.
6275 Neil Rd., 3rd Floor
Reno, NV 89511
Tel: 775.996.6037
Fax: 775.996.6097
www.lpins.net

National Insurance Consultants
8687 W. Sahara Avenue
Las Vegas, NV 89117
Tel: 800.689.2698
Fax: 702.696.9899
www.niciinsure.com

NEW HAMPSHIRE

Davis and Towle Group
115 Airport Road
Concord, NH 03301
Tel: 603.225.6611
Fax: 603.225.7628
www.davistowle.com

Infantine Insurance, Inc.
203 Meetinghouse Road
Bedford, NH 03110
Tel: 603.669.0704
Fax: 603.669.6831
www.crossagency.com

The Rowley Agency, Inc.
139 Loudon Road
P.O. Box 511
Concord, NH 03302-0511
Tel: 603.224.2562
Fax: 603.224.6422
www.rowleyagency.com

NEW JERSEY

C&H Agency
783 Riverview Drive
Totowa, NJ 07512
Tel: 973.890.0900
Fax: 973.890.9038
www.chagency.com

C.A. Shea & Company, Inc.
6 Mill Ridge Lane
Chester, NJ 07632
Tel: 908.879.0990
Fax: 908.879.2272
www.cashea.com

Dale Group, Inc.
P.O. Box 6
Florham Park, NJ 07932
Tel: 973.377.7000
Fax: 973.377.4614
www.dalegroup.com

Surety Advisors & Risk Management, LLC
240 Cedar Knolls Road, Suite 308
Cedar Knolls, NJ 07927
Tel: 973.993.5403
www.suretyadvisors.com

The Cayemitte Group
306 Farnsworth Avenue
Bordentown, NJ 08505
Tel: 609.521.4200
Fax: 888.870.1730
www.cayemittgroup.com

Turner Surety and Insurance
Brokerage, Inc.
300 Tice Boulevard, 2nd Floor North
Suite 250
Woodcliff Lake, NJ 07677
Tel: 201.644.2500
Fax: 201.644.2532
www.tsibinc.com

NEW MEXICO

Burke Insurance Group, Inc.
1691 Hickory Loop, Suite B
Las Cruces, NM 88005
Tel: 575.524.2222
Fax: 575.525.1716
www.burke-insurance.com

Downey and Company
6565 Americas Pkwy, NE, Suite 750
Albuquerque, NM 87110
Tel: 505.881.0300
Fax: 505.881.0908
www.downeyandco.com

HUB International Insurance Services,
Albuquerque, NM
7770 Jefferson Street NE
Albuquerque, NM 87109
Tel: 505.266.7771
Fax: 505.266.9542
www.hubinternational.com

Minick & Company
541 Paisano NE
Albuquerque, NM 87123
Tel: 505.262.2236
Fax: 505.262.2288
www.minickandcompany.com

NEW YORK

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333 Earle Ovington Blvd., Suite 700
Uniondale, NY 11553
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Fax: 516.414.8987
www.alliantinsurance.com

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12 Computer Drive West
Albany, NY 12205
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Fax: 518.458.8390
www.amsure.net

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199 Water Street
New York, NY 10038
Tel: 212.441.2628
Fax: 847.953.0955
www.aon.com

Arthur J. Gallagher Risk Management
Services, Inc.
377 Oak Street
Garden City, NY 11530-0601
Tel: 516.745.0800
Fax: 516.745.0082
www.etreiber.com

Bergassi Group LLC
35 Portman
New Rochelle, NY 10801
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Fax: 914.576.7847

Blaise Group NY, LLC
256 East 3rd Street
2nd Floor
Mt. Vernon, NY 10553
Tel: 914.667.7700
Fax: 914.219.1034
www.blaisebonds.com

Brown & Brown of New York, Inc.
45 East Avenue
Rochester, NY 14604
Tel: 585.697.1452
Fax: 585.697.3365
www.bbnewyork.com

City Underwriting Agency, Inc.
2001 Marcus Avenue, Suite W. 180
Lake Success, NY 11042-1035
Tel: 516.358.3500
Fax: 516.358.3540
www.cuagency.com

Cool Insuring Agency, Inc.
784 Troy Schenectady Road
Latham, NY 12110
Tel: 518.783.2665
Fax: 518.783.8754
www.coolins.com

First Niagara Risk Management, Inc.
726 Exchange Street, Suite 900
Buffalo, NY 14210
Tel: 716.819.5500
Fax: 716.819.5140
www.firstniagara.com

Fleetwood Agency, Inc.
65 Broadway, Suite 1104
New York, NY 10006-2503
Tel: 212.968.9100
Fax: 212.248.0380
www.fleetsurety.com

Fuller & O'Brien, Inc./Gallagher
677 Broadway
Albany, NY 12207
Tel: 518.463.3181
Fax: 518.463.5825
www.ajg.com

James P. Reagan Agency, Inc.
8 East Main Street
P.O. Box 191
Marcellus, NY 13108
Tel: 315.673.2094
Fax: 315.673.1121
www.reagancompanies.com

Jasper Surety Agency LLC
137 Willis Avenue, Suite 300
Mineola, NY 11501
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Fax: 516.742.8819
www.jaspersurety.com

JP West Inc.
44 Wall Street, 12th Floor
New York, NY 10005
Tel: 212.461.2261
Fax: 212.461.2263
www.jpwest.com

Lawley Service, Inc.
361 Delaware Avenue
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Fax: 716.849.8253
www.lawleyinsurance.com

M&T Insurance Agency, Inc.
101 South Salina Street
Syracuse, NY 13202
Tel: 315.424.5100
Fax: 315.424.5061
www.mtb.com

Marsh USA, Inc.
1166 Avenue of the Americas
New York, NY 10036-2774
Tel: 212.345.6000
Fax: 212.345.4947
http://usa.marsh.com

Marshall & Sterling, Inc.
110 Main Street
Poughkeepsie, NY 12601-3080
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Fax: 845.454.0880
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Rose & Kiernan, Inc.
99 Troy Road, P.O. Box 640
East Greenbush, NY 12061
Tel: 518.244.4284
Fax: 518.244.4264
www.rkinsurance.com

Skinner & Company
600 Mamaroneck Avenue, Suite 400
Harrison, NY 10528
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Fax: 914.468.0850
www.skinnerbonds.com

Skyline Risk Management, Inc.
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Tel: 718.267.6600
Fax: 718.224.5511
www.skylinerriskmanagement.com

Surre, Goldberg & Henry Associates
255 Executive Drive, Suite 401
Plainview, NY 11803
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Fax: 516.576.0067
http://www.sghassoc.com

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Fax: 212.233.0767
www.hydeagency.com

USI Insurance Services LLC
333 Earle Ovington Blvd., Suite 800
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Fax: 610.527.1968
www.esuretybond.com

Vanner Insurance Agency
11 Pinchot Court, Suite 100
Amherst, NY 14228
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Fax: 716.636.2274
www.vannerinsurance.com

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330 Madison Avenue, 7th Floor
New York, NY 10017-5001
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Fax: 212.818.9139
https://wfs.wellsfargo.com

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NORTH CAROLINA

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www.hubinternational.com

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IMC Surety Solutions
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Fax: 704.897.2594
http://imcsuretysolutions.com/wp

Morrow Insurance Agency
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Fax: 704.367.3478
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Fax: 888.249.2138
www.scottins.com

Senn Dunn Insurance
4505 Falls of Neuse Road, Suite 650
Raleigh, NC 27609
Tel: 916.719.9585
Fax: 916.719.9571
www.sennedunn.com

Surety Agency
552.B New Haw Creek Road
Asheville, NC 28805
Tel: 828.236.1000
Fax: 828.236.1001
www.suretyagencyllc.com

Wells Fargo Insurance Services USA, Inc.
6100 Fairview Road, Suite 800
Charlotte, NC 28210
Tel: 704.366.8834
Fax: 866.332.3051
https://wfs.wellsfargo.com

NORTH DAKOTA

Dawson Insurance Agency, Inc.
721 1st Avenue North
Fargo, ND 58102
Tel: 701.237.3311
Fax: 701.232.4442
www.dawsonins.com

Wells Fargo Insurance Services of
North Dakota, Inc.
1020 - 36th Street Southwest
Fargo, ND 58103
Tel: 701.280.8860
Fax: 701.280.8832
https://wfs.wellsfargo.com

OHIO

AssuredPartner's of Ohio dba
Dawson Insurance
1340 Depot Street, Suite 300
Beachcliff Executive Center
Cleveland, OH 44116-1741
Tel: 440.333.9000
Fax: 440.356.3732
www.dawsoncompanies.com

Brooks Insurance Agency, Inc.
1120 Madison Avenue
Toledo, OH 43604
Tel: 419.243.1191
Fax: 419.255.5928
www.brooksinsurance.com

Brower Insurance, a Marsh &
McLennan Agency
409 E. Monument Avenue, Suite 400
Dayton, OH 45402
Tel: 937.228.4135
Fax: 937.228.9108
www.browerinsurance.com

Chas. E. Slusser Agency, Inc.
2650 W. Market Street, 2nd Floor
Akron, OH 44333-4201
Tel: 330.867.0770
Fax: 330.867.5385
www.slusseragency.com

Gallagher SKS
1 West Fourth Street, Suite 1300
Cincinnati, OH 45202
Tel: 513.977.3100
Fax: 513.977.4633
www.ajg.com

L. Calvin Jones & Co.
3744 Starr Centre Drive
Canfield, OH 44406-0159
Tel: 330.533.1195
Fax: 330.533.7583
www.lcalvinjones.com

Oswald Companies
1360 East 9th Street
Cleveland, OH 44114
Tel: 216.367.8787
Fax: 216.241.4520
www.oswaldcompanies.com

Peoples Insurance Agency, Inc. dba
Barengo Insurance Agency
416 Hart Street
Marietta, OH 45750
Tel: 740.373.3994
Fax: 740.373.3650
www.barengo-insurance.com

The Hauser Group
8260 Northcreek Drive, Suite 200
Cincinnati, OH 45236
Tel: 513.745.9200
Fax: 513.587.0062
www.hig1.com

Wells Fargo Insurance Services of
Ohio LLC
580 North 4th Street, Suite 400
Columbus, OH 43215-2153
Tel: 614.228.5565
Fax: 614.228.6985
https://wfs.wellsfargo.com

Wells Fargo Insurance Services of
Ohio-Cincinnati
1014 Vine Street, Suite 1100
Cincinnati, OH 45202
Tel: 513.333.2075
Fax: 513.564.2375
<https://wfis.wellsfargo.com>

OKLAHOMA

Fennell & Associates, Inc.
5800 East Skelly Drive, Suite 605
Tulsa, OK 74135
Tel: 918.632.0136
Fax: 918.632.0846
www.fennellassociates.com

Howell-Stone Insurance, Inc.
P.O. Box 5010
Edmond, OK 73083
Tel: 405.341.8330
Fax: 405.340.6784
<http://howellstone.publishpath.com>

Insurance Agency of Mid-America, Inc.
10009 S. Pennsylvania
Building E
Oklahoma City, OK 73159
Tel: 405.691.0016
Fax: 405.691.0415
www.midamericainc.com

Rich & Cartmill, Inc.
2738 E. 51st Street, Suite 400
Tulsa, OK 73118
Tel: 918.743.8811
Fax: 918.744.8429
www.rcins.com

Webb, Young, Webb, Liles & Tolentino
3007 NW 63rd Street, Suite 130
Oklahoma City, OK 73116
Tel: 405.843.9481
Fax: 405.848.8417
www.wywl.com

OREGON

Anchor Insurance & Surety, Inc.
500 Century Tower
1201 Southwest 12th Avenue
Portland, OR 97205
Tel: 503.224.2500
Fax: 503.224.9830
www.anchorias.com

Brown & Brown Northwest
PO Box 29018 2701 NW Vaughn Street
Suite 340
Portland, OR 97296-9018
Tel: 503.219.3202
Fax: 503.914.5402
www.beechercarlson.com

Surety Solutions, LLC
1661 Edgewater Street NW, Suite 200
Salem, OR 97304
Tel: 866.722.9239
Fax: 503.566.5891
www.suretysolutionsllc.com

Ward Insurance Agency, Inc.
560 Country Club Parkway
Eugene, OR 97401
Tel: 541.687.1117
Fax: 541.342.8280
www.wardinsurance.net

PENNSYLVANIA

E.K. McConkey & Co., Inc.
2555 Kingston Road, Suite 100
York, PA 17402
Tel: 717.755.9266
Fax: 717.755.9237
www.ekmconkey.com

Engle Hambright & Davies, Inc.
P.O. Box 83080
Lancaster, PA 17608-3080
Tel: 717.394.5681
Fax: 717.394.0842
www.ehd-ins.com

Frank Crystal & Co., Inc.
1600 Market Street, Suite 1510
Philadelphia, PA 19103
Tel: 212.531.8317
Fax: 212.531.8350
www.fcystal.com

Gunn Mowery LLC
650 N. 12th Street
Lemoyne, PA 07043
Tel: 717.761.4600
Fax: 717.761.6159
www.gunnmowery.com

Huntington Insurance
310 Grant Street
Pittsburgh, PA 15219
Tel: 724.271.3024
Fax: 724.741.2857
www.huntington.com

K.R. MacDonald Incorporated
4900 Derry Street
Harrisburg, PA 17111-0500
Tel: 717.564.4221
Fax: 717.564.6904
www.krmacdonald.com

Keystone Bonding & Surety Agency, LLC
3806 Market Street, Suite 2 Row
Camp Hill, PA 17011
Tel: 717.695.9502

Liberty Insurance Agency
319A Thomson Park Drive
Cranberry Township, PA 16066
Tel: 412.571.5700
Fax: 724.742.2002
www.libertyins.com

Mahorsky Group Inc.
2100 Quaker Pointe Drive
Quakertown, PA 18951
Tel: 215.536.0253
Fax: 215.536.0257
<http://mahorskygroup.com>

Marsh
Three Logan Square
1717 Arch Street
Philadelphia, PA 19103-2797
Tel: 215.246.1000
www.usa.marsh.com

Murray Risk Management and
Insurance
39 North Duke Street
Lancaster, PA 17602
Tel: 717.397.9600
Fax: 717.397.2218
www.murrayins.com

Rosenberg & Parker, Inc.
455 South Gulph Road, Suite 400
King of Prussia, PA 19406
Tel: 610.668.9100
Fax: 610.667.5200
www.suretybond.com

Saul & Associates
179 South Wyoming Avenue, Suite 1
P.O. Box 1617
Kingston, PA 18704-0617
Tel: 570.288.5434
Fax: 570.288.7837
www.saulmetcho.com

Seubert & Associates, Inc.
1010 Ohio River Boulevard
Pittsburgh, PA 15202
Tel: 412.734.4900
Fax: 412.734.6640
www.seubert.com

The Garis Agency
681 Harleysville Pike
Lederach, PA 19450
Tel: 215.256.6282
Fax: 215.256.6264
www.garisagency.com

The Graham Company
One Penn Square West
Philadelphia, PA 19102
Tel: 215.567.6300
Fax: 215.569.3025
www.grahamco.com

The HDH Group, Inc.
525 N. 12th Street
P.O. Box 525
Lemoyne, PA 17043-0525
Tel: 717.761.4010
Fax: 717.761.4320
www.hdhgroup.com

The Shepherd Agency, LLC
7051 Camp Hill Road, Suite 200
Fort Washington, PA 19034
Tel: 215.233.4330
Fax: 215.233.4746

The Simkiss Agency, Inc.
2 Paoli Office Park
P.O. Box 1787
Paoli, PA 19301-0826
Tel: 610.727.5300
Fax: 610.727.5414
www.simkiss.com

The Stoll Agency, Inc.
1600 Horizon Drive, Suite 112
Chalfont, PA 18914
Tel: 215.884.6242
Fax: 215.884.4070
www.stollagency.com

Wells Fargo Insurance Services
1018 W. 9th Avenue
King of Prussia, PA 10496
Tel: 610.205.6128
<https://wfis.wellsfargo.com>

Wells Fargo Insurance Services USA, Inc.
Four Gateway Center
444 Liberty Ave, Suite 1500
Pittsburgh, PA 15222
Tel: 412.765.3510
Fax: 412.765.1164
<https://wfis.wellsfargo.com>

2014 NASBP Resource Directory

Wharton Surety Consultants, LLC/
Atlantic Underwriting
992 Old Eagle School Road, Suite 915
Wayne, PA 19087
Tel: 866.428.9420
Fax: 610.828.4415
www.whartonsurety.com

PUERTO RICO

A Surety One
361 Calle Galileo, 7th Floor
San Juan, PR 00927
Tel: 787.333.0222
Fax: 919.834.7039
www.suretyone.org

Aon Risk Services Inc. of PR
304 Ave Ponce de Leon
San Juan, PR 00918-2032
Tel: 787.754.8787
Fax: 787.753.7990
www.aon.com

Carrion, Laffitte & Casellas, Inc./
HUB International CLC
MCS Building
718 Ponce De Leon 255
Hato Rey, PR 00917-0877
Tel: 787.641.2738
Fax: 787.641.0877
www.clcinsurancepr.com

Fulcro Insurance, Inc.
Los Muchachos Building
204 San Francisco Street
Old San Juan, PR 00901
Tel: 787.725.5880
Fax: 787.721.0988
www.fulcroinsurance.com

Marsh-Saldana
154 Martinete Street Montehiedra
San Juan, PR 00926
Tel: 787.641.2600
Fax: 787.721.2841
www.marshsaldana.com

Team Insurance Services, Inc.
8838 Kilometer 5.1 Bo Monacillo
Rio Piedras, PR 00926-2741
Tel: 787.753.0100
Fax: 787.522.3692
http://www.teaminsurancepr.com/dev/

United Insurance Agency
Santander Tower At San Patricio
Calle Tabonuco B-7, Suite 1201
Guaynabo, PR 00968
Tel: 787.273.8220
Fax: 787.774.0805
www.usicpr.com

SOUTH CAROLINA

BB&T - Boyle-Vaughan Insurance
1710 Gervais Street
Columbia, SC 29201
Tel: 803.748.0100
Fax: 803.343.6517
http://insurance.bbt.com

McCartha, Cobb & Associates, Inc.
1407 Calhoun Street
Columbia, SC 29201
Tel: 803.799.3474
Fax: 803.799.3711
www.mccartha-cobb.com

SOUTH DAKOTA

Gusso Surety Bonds, Inc.
2307 W. 57th Street, Suite 100
Sioux Falls, SD 57108
Tel: 605.339.7280
Fax: 605.332.0632
www.gussosuretybonds.com

Holmes Murphy & Associates, Inc.
5120 South Solberg Avenue
Sioux Falls, SD 57108
Tel: 605.336.1090
Fax: 605.336.8365
www.holmesmurphy.com

Howalt-McDowell Insurance, Inc.,
A Marsh & McLennan Agency LLC
Company
300 Cherapa Place Suite 601
PO Box 5113
Sioux Falls, SD 57117-5113
Tel: 605.339.3874
Fax: 605.339.3620
www.howaltmcdowell.com

Western Dakota Insurors, Inc.
816 5th Street
Rapid City, SD 57701-3708
Tel: 605.342.3130
Fax: 605.342.2162
www.westerndakotainsurors.com

TENNESSEE

Arthur J. Gallagher & Co.
5500 Maryland Way, Suite 330
Brentwood, TN 37027
Tel: 615.661.7500
Fax: 615.377.5101
www.ajg.com

BB&T Insurance Inc.
4400 Harding Road, Suite 400
Nashville, TN 37202
Tel: 615.292.9000
Fax: 615.279.8504
http://insurance.bbt.com

Frank E. Neal & Co., Inc.
2223 Eighth Avenue, South
Nashville, TN 37204
Tel: 615.383.8874
Fax: 615.383.8939
www.feneal.com

J. Smith Lanier & Company
413 Northshore Drive, SW
Knoxville, TN 37919
Tel: 865.588.7200
Fax: 865.588.1646
www.jsmithlanier.com

Scott Construction Services
Eight Corporate Centre
6640 Carothers Pkwy. Ste 100
Franklin, TN 37067
Tel: 615.224.2650
Fax: 615.771.6999
www.scottins.com

TIS Insurance Services, Inc.
1900 Winston Road, Suite 100
Knoxville, TN 37919
Tel: 865.691.4847
Fax: 865.694.4847
www.tisins.com

Willis of Tennessee, Inc.
26 Century Boulevard
Nashville, TN 37214
Tel: 615.872.4007
Fax: 615.872.3899
www.willis.com

TEXAS

Alliant Insurance Services, Inc.
5847 San Felipe, Suite 2750
Houston, TX 77057
Tel: 832.485.4000
Fax: 832.485.4001
www.alliantinsurance.com

Arthur J. Gallagher Risk Management
Services, Inc.
International Plaza III
14241 Dallas Parkway, Suite 300
Dallas, TX 75254
Tel: 214.691.5522
Fax: 214.691.1537
www.ajg.com

Arthur J. Gallagher Risk Management
Services, Inc.
2727 81st Street
Lubbock, TX 79423
Tel: 806.785.1988
Fax: 806.785.2155
www.ajg.com

Baldwin-Cox Agency
5930 Preston View Boulevard, Suite 200
Dallas, TX 75240
Tel: 972.644.2688
Fax: 972.644.8035
www.baldwinagency.com

Ballew Surety Agency, Inc.
8140 N. Mopac Bldg. 1, Suite 100
Austin, TX 78759
Tel: 512.454.9500
Fax: 512.454.9502
www.ballewinsurance.com

Boley-Featherston Insurance
701 Lamar Street
Wichita Falls, TX 76301
Tel: 940.723.7111
Fax: 940.766.1620
www.boleyleatherston.com

BondPro, Inc.
8 Greenway Plaza, Suite 814
Houston, TX 77046
Tel: 713.355.1000
Fax: 713.355.1001
www.bondproinc.com

Bowen Miclette &
Britt Insurance Agency, LLC.
1111 North Loop West, Suite 400
Houston, TX 77008
Tel: 713.880.7100
Fax: 713.880.7166
www.bmbinc.com

Catto & Catto LLP
217 E. Houston Street
San Antonio, TX 78205
Tel: 210.222.2161
Fax: 210.222.1618
www.catto.com

Cowan-Hill Bond Agency, Inc.
9810 Indiana Avenue, Suite 160
Lubbock, TX 79423
Tel: 806.722.2663
Fax: 806.722.2662

Equify Risk Services, LLC
12770 Coit Road, Suite 750
Dallas, TX 75251
Tel: 469.310.8608
Fax: 469.916.3366
www.pentrarisk.com

F.W. Offenhauser & Co.
518 Pine Street
Texarkana, TX 77501
Tel: 903.255.6221
Fax: 903.255.6121
www.offenhauserinsurance.com

Frank Siddons Insurance
Agency Ft. Worth, Inc.
2900 Marquita Drive
Fort Worth, TX 76116-4016
Tel: 817.737.4943
Fax: 817.737.4947
www.kandsgroup.com

Frost Insurance
401 Congress Avenue, Suite 1400
Austin, TX 78701
Tel: 512.298.9588

GEM Insurance, a Division of
BancorpSouth
3355 W. Alabama, Suite 845
Houston, TX 77098
Tel: 713.624.6117
Fax: 713.624.6118
www.gemins.com

Grayhawk Insurance and Risk
Management Services, Inc.
1740 N. Collins Blvd., Suite 200
Richardson, TX 75080
Tel: 972.671.9105
Fax: 972.671.9804
www.grayhawkins.com

Harding-Conley-Drawert-Tinch
Insurance Agency, Inc.
2161 NW Military Highway, Suite 210
San Antonio, TX 78213
Tel: 210.647.0134
Fax: 210.647.0138
www.hcdtbond.com

Holmes Murphy & Associates, Inc.
12712 Park Central Drive, Suite 100
Dallas, TX 75251
Tel: 214.363.4433
Fax: 214.691.4639
www.holmesmurphy.com

HUB International Insurance Services, Inc.
Chase Tower
201 E. Main Suite 800
El Paso, TX 79998-1021
Tel: 915.206.6023
Fax: 866.399.3972
www.jdw-insurance.com

HUB International Limited
10777 Westheimer, Suite 300
Houston, TX 77042-3454
Tel: 713.425.6631
Fax: 713.366.0321
www.hubinternational.com

IMA, Inc.
14185 Dallas Parkway, Suite 800
Dallas, TX 75254
Tel: 972.581.4400
Fax: 972.581.4490
www.imacorp.com

Insurance Alliance A Marsh &
McLennan Agency Company
1776 Yorktown, #200
Houston, TX 77056
Tel: 713.966.1776
Fax: 713.966.7546
www.ins-alliance.com

Insurance Network of Texas
143 East Austin
Giddings, TX 78942
Tel: 979.542.3666
Fax: 979.542.3220
www.intonline.com

John L. Wortham & Son, L.P.
2727 Allen Parkway
Houston, TX 77019
Tel: 713.526.3366
Fax: 713.520.1260
www.worthaminsurance.com

K & S Insurance Agency
2255 Ridge Road, Ste 333
P.O. Box 277
Rockwall, TX 75087
Tel: 972.771.4071
Fax: 972.771.4695
http://kandsins.com

Lockton Companies, LLC
5847 San Felipe Street, Suite 320
Houston, TX 77057
Tel: 713.458.5200
Fax: 713.458.5297
www.lockton.com

Marsh & McLennan Agency
21755 IH 45 North, Building #8
Spring, TX 77388
Tel: 281.651.0002
Fax: 281.350.0281
www.kandsgroup.com

Marsh USA, Inc.
1717 Main Street, Suite 4400
Dallas, TX 75201
Tel: 214.303.8544
Fax: 214.303.8649
http://usa.marsh.com

Marsh USA, Inc.
1000 Main Street Suite 3000
Houston, TX 77002
Tel: 713.276.8460
Fax: 713.276.8518
www.marsh.com

McGriff, Seibels & Williams, Inc.
818 Town & Country Boulevard, Ste. 500
Houston, TX 77024-4549
Tel: 713.877.8975
Fax: 713.877.8974
www.mcgriff.com

McQueary Henry Bowles Troy, LLP
8144 Walnut Hill, 16th Floor
Dallas, TX 75231
Tel: 972.770.1600
Fax: 972.770.1475
www.mhbt.com

Mullis Newby Hurst
Liberty Plaza II
5057 Keller Springs Rd, Suite 400
Addison, TX 75001
Tel: 972.201.0100
Fax: 972.201.0123
www.mnhins.com

PCL Contract Bonding Agency
3010 LBJ Freeway, Suite 920
Dallas, TX 75234-2750
Tel: 972.459.4749
Fax: 972.459.4535
www.pclbonds.com

Surety Advisors, LLC
5433 Westheimer Road Suite 923
Houston, TX 77056
Tel: 713.622.1494
Fax: 713.622.1861
www.suretybondservices.com

Technical Assurance, LLC
26623 Oak Ridge Drive
The Woodlands, TX 77380
Tel: 281.296.9997
Fax: 281.296.9998
www.technical-assurance.com

The Sweeney Company
1121 East Loop 820 South
Fort Worth, TX 76112
Tel: 817.457.6700
Fax: 817.457.7246
www.thesweeneyco.com

Time Insurance Agency, Inc.
1405 E. Riverside Drive
Austin, TX 78741
Tel: 512.447.7773
Fax: 512.440.0989
www.timeinsurance.com

Tucker Agency, Ltd.
900 Summit Avenue
Fort Worth, TX 76102
Tel: 817.336.8520
Fax: 817.336.6501
www.tuckeragency.com

Upshaw Insurance Agency, Inc.
801 South Fillmore, Suite 300
Amarillo, TX 79105
Tel: 806.468.0400
Fax: 806.468.0450
www.upshaw-insurance.com

Ward & Moore Insurance
12221 Merit Drive, Suite 1010
Dallas, TX 75251
Tel: 214.221.8300
Fax: 214.221.8304
www.ward-moore.com

Ward & Moore Insurance
1107 Main Street
Gatesville, TX 76528
Tel: 254.865.8411
Fax: 254.865.8414
www.ward-moore.com

Willis HRH
1800 Washington, Ste 400
Amarillo, TX 79105
Tel: 806.376.4761
Fax: 806.376.5136
www.willis.com

Willis of Texas, Inc. - Houston Office
920 Memorial City Way, Suite 500
Houston, TX 77024
Tel: 713.961.3800
Fax: 713.961.0226
www.willis.com

2014 NASBP Resource Directory

Wortham Insurance & Risk
Management of San Antonio
131 Interpark Boulevard
San Antonio, TX 78216
Tel: 210.223.9171
Fax: 210.223.2806
www.worthamsa.com

UTAH

Central Bonds & Insurance Agency, Inc.
411 West, 7200 South, Suite #102
Midvale, UT 84047
Tel: 801.566.7272
Fax: 801.566.7274
www.centralbondsinsurance.com

Integrated Insurance Solutions, Inc.
3191 S. Valley Street, Suite 206
Salt Lake City, UT 94109
Tel: 801.487.3000
Fax: 801.412.0893
www.integratedslc.com

Moreton & Company
709 East South Temple
Salt Lake City, UT 84102
Tel: 801.531.1234
Fax: 801.531.6117
www.famoreton.com

The Buckner Group
6550 S. Millrock Drive, Suite 300
Salt Lake City, UT 84121
Tel: 801.937.6700
Fax: 801.937.6710
www.buckner.com

Wells Fargo Insurance Services
Mountain West, Inc.
1095 East 2100 South, 2nd Floor
Salt Lake City, UT 84106
Tel: 801.246.4388
Fax: 801.485.5217
https://wffis.wellsfargo.com

VIRGINIA

Construction Bonds, Inc.
a Division of Murray Securus
1110 Herndon Parkway, Suite 307
Herndon, VA 20170
Tel: 703.934.1000
Fax: 703.934.1009
www.sbabonds.com

Ezra T. Summers, Inc. dba Ware Insurance
141 Business Park Drive
Virginia Beach, VA 23462
Tel: 757.490.1166
Fax: 757.671.9073
www.wareinsurance.com

Rutherfoord, A Marsh & McLennan
Agency LLC Company
1 South Jefferson Street
Roanoke, VA 24011
Tel: 540.982.3511
Fax: 540.982.2635
www.rutherfoord.com

South-West Insurance Agency, Inc.
220 Wood Avenue
Big Stone Gap, VA 24219
Tel: 276.523.4111
Fax: 276.523.5208
www.s-west.com

Specialized Insurance Services Inc.
1912 E. Broad Street
Richmond, VA 23223
Tel: 804.934.9774
Fax: 804.934.9790
www.specializedinsuranceservices.com

WASHINGTON

Arthur J. Gallagher & Co.
2825 East Lake Ave East, Suite 110
Seattle, WA 98102
Tel: 206.484.9828
Fax: 253.572.1430
www.ajg.com

Conover Insurance
P.O. Box 2528
Pasco, WA 99302
Tel: 509.545.3800
Fax: 509.547.7960
www.conoverinsurance.com

Frontier Bonding Service, LLC
155 NE 100th Street, Suite 201
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Tel: 206.281.8411
Fax: 206.281.8456
www.frontierbonding.com

HUB International Northwest, LLC
12100 NE 195th Street, Suite 200
Bothell, WA 98011-5769
Tel: 425.489.4500
Fax: 425.489.4501
www.hubinternational.com

Integrity Surety LLC
17544 Midvale Avenue N #300
Seattle, WA 98133
Tel: 206.546.1397
Fax: 888.315.5403
www.integritysurety.com

Kibble & Prentice, a USI Company
601 Union Street, Suite 1000
Seattle, WA 98101
Tel: 206.695.3106
Fax: 206.695.3146
www.usi.biz

Parker Smith Feek
2233 - 112th Avenue N.E.
Bellevue, WA 98004
Tel: 425.709.3600
Fax: 425.709.7467
www.psfinc.com

PayneWest Insurance, Inc.
390 Bradley Boulevard
Richland, WA 99352
Tel: 509.946.6161
Fax: 509.946.0715
www.paynewest.com

PayneWest Insurance, Inc.
501 N. Riverpoint Boulevard, Suite 403
Spokane, WA 99201
Tel: 509.838.3501
Fax: 509.838.3511
www.paynewest.com

Propel Insurance
925 Fourth Avenue, Suite 3200
Seattle, WA 98109
Tel: 253.759.2200
Fax: 253.759.6468
www.propelinsurance.com

Wells Fargo Insurance Services USA, Inc.
601 Union Street, Suite 1300
Seattle, WA 98101
Tel: 206.701.5000
Fax: 206.701.5500
https://wffis.wellsfargo.com

Wells Fargo Insurance Services USA, Inc.
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Tel: 509.358.3900
Fax: 509.358.3937
https://wffis.wellsfargo.com

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BB&T - Carson Insurance Services
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Fax: 304.357.4532
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Fax: 800.272.0978
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Fax: 262.953.1411
www.rriins.com

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www.phoenixinsurance.ca

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