# Surety Update

*November 8, 2023*

*Contractors are still making bundles of money and have healthy backlogs lined up for 2024. Inflation, manpower and supply chain issues are still prevalent, but contractors have found ways to navigate these issues.*

Mergers, Acquisitions and Private Equity presenting new & interesting opportunities!

* A person making a face

  Description automatically generatedSeverity of bond claims up relative to bond penal sums on like-for-like claim today v/ 3-4 years ago.
* Several sureties have experienced significant losses in 2023 with some major carriers posting loss ratios over 100%
  + - One major surety wrote a check for $140 million to pay off the bond penalty without trying to complete the job. That shows how upside down the job was.
* No surety is too big to fail, so it’s important for contractors and agents to ask questions about their sureties’ results and outlook.

*The bond market continues to be very soft. There is a lot of competition out there among surety companies and overall they are doing well. We’re seeing aggressive bond programs, waiving of personal indemnity, etc.*

*A person in a blue suit

Description automatically generatedA person in a suit smiling

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