

What are the roles of a bond underwriter and a bond producer?



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Surety is a relationship business, a mostly symbiotic one where steps taken to enhance a contractor's bond-ability results in a better risk to the surety. The differences between the roles of a surety producer and underwriter are oftentimes obvious and other times not.

Producers are granted an account-specific limit of authority (LOA) by underwriters, which enables them to approve standard bond requests, yet the ultimate decision-making authority lies solely with the underwriters. Outside of an expiring and renewable LOA, producers have no authority to issue bonds.

The underwriter is the ultimate decision maker. It is the producer's responsibility to present the contractor in the best light to the most appropriate underwriter with the most appropriate surety. The producer is responsible for educating their contractors: sharing what the process will look like, here is what you look like to the surety and this is what you can expect. The producer is also an advocate for their contractors if and when unfortunate things happen to good people.

Lastly, producers help to set short and long term goals: Where you are now? Where do you plan to be? What will you do to get there?

When the producer is doing all of this, the underwriter can do their job better, which is to make credit decisions to support and grow their contractors' businesses. Remembering these relationships are symbiotic in nature ensures the underwriter and producer can walk alongside their contractor to provide meaningful surety credit for years to come.



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