

Pull out your current bond program and check the box next to each feature you can confirm it includes — anything unchecked is worth a quick conversation with your advisor.

STANDARD

OFTEN LIMITED

IF NEEDED

— Standard: should be included · Often limited: frequently sublimited, excluded, or optional · If needed: depends on your operations

POLICY FEATURE	WHAT TO CONFIRM	PRIORITY
☐ Bond Form Matches the Obligation	Confirm the bond wording matches the contract, license, or court requirement exactly.	STANDARD
☐ Single-Job & Aggregate Limits	Confirm the bonding program fits your largest bid and total backlog.	STANDARD
☐ Indemnity Agreement Understood	Owners (and sometimes spouses) personally repay the surety — review before signing.	STANDARD
☐ Current CPA Financial Statements on File	Sureties set capacity from them — reviewed or audited statements support larger programs.	OFTEN LIMITED
☐ Bid Bond Consent of Surety	Confirms the surety will issue performance and payment bonds if the bid wins.	IF NEEDED
☐ License & Permit Bonds Renewed on Time	Lapsed license bonds can suspend a license — track every renewal date.	IF NEEDED

COMMON GAP IN THIS COVERAGE

The most commonly missed point about surety is that bonds are not insurance. When a surety pays a claim, it recovers the loss from the business and the owners who signed the indemnity agreement. Contractors should keep CPA financial statements and work-in-progress schedules current, understand the indemnity before signing, and track every license bond renewal.

IMPORTANT — PLEASE READ

This checklist is a free educational tool from Cory Washington & Co. to help you review your own coverage and have a more informed conversation with a licensed insurance professional. It is general information only — not insurance, legal, or financial advice, and not a recommendation to buy, change, or cancel any policy. The Standard / Often Limited / If Needed labels describe general market patterns for this coverage — not a personalized recommendation or needs analysis for your specific operations. Coverage terms, availability, limits, and requirements vary by policy, carrier, and state, and only the language in your actual policy governs what is and isn't covered. Checking or leaving blank any item above does not indicate that you are adequately insured or under-insured. Using this checklist does not create a client, agency, or fiduciary relationship. Always consult a licensed professional about your specific situation.