Trisura celebrates 10th anniversary as entrepreneurial surety underwriter

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The phoenix like rise of Trisura Guarantee Insurance Company from a start-up 10 years ago to its leadership role in the Canadian construction surety marketplace may surprise individuals who associate surety and bonding as a small, conservative segment within old style multinational insurance corporations.

This is especially the case since surety is so highly leveraged that, unless the underwriter has a clear understanding of its clients, market, solid management, and client assessment rules, the default risk would scare off anyone but the most well capitalized businesses.

However, Trisura has proven that nimbleness and entrepreneurial values can combine quite well with solid internal business practices and financial backing from Brookfield Asset Management.

“We started up from scratch with nothing,” said Trisura president Mike George. “The business has gone very well. We’re pleased with the growth rate and profitability of the firm, and in the last five years, it’s been a maturing process.”

“We’ve obviously had to add processes and controls since we started,” he said. “It’s always one of the challenges – how you can maintain your growth rate, with an aggressive approach to doing business, while building a sound and sustainable business, and keeping your core values of being nimble and entrepreneurial.”

George said for the first five years, the new underwriter had to focus on finding new business – not an easy task because surety and insurance relationships, often conducted with clients through brokers, are rarely dislodged easily.

Trisura focused its efforts accordingly, building really good relationships with surety brokers across Canada, creating a responsive and service oriented model that allowed the brokers to serve their clients even more effectively, said Chris Sekine, Trisura’s senior vice president, surety.

“Numerous times Trisura has taken the extra time and effort to put together deals with us, whether structuring something a little differently or agreeing to hit the road at 6 a.m. for an early morning meeting with a client,” said broker Warren Griffiths, Firstbrook Cassie & Anderson Ltd. “It’s the little extra efforts that makes working with them so easy.” (See p. C9 for several brokers’ comments about Trisura’s service.)

The company backs up this service with regional offices in Toronto, Vancouver, Calgary, Montreal, Quebec City and Halifax. Trisura’s advantage: Unlike multinational companies where surety is a small part of the underwriting business, here it encompasses 40 per cent of Trisura’s overall business volume – and feet on the ground in different regions allows the underwriter to have a solid understanding of regional market conditions, risks and opportunities.

Trisura has backed these local relationships with national support, including the hiring of Victor Bandiera as vice president of construction services. Bandiera, a qualified professional engineer, with a background in operating a family run construction company, can assess construction projects’ technical conditions and risk. Meanwhile lawyer Stuart Detsky, assistant vice president, surety and warranty claims, connects his extensive legal knowledge with practical understanding of the surety process.

With its growth, Trisura has been able to take on larger – and smaller – surety challenges.

At the large end, “we can handle projects in the couple hundred million dollar range,” Sekine said. “There’s a trend toward larger projects. We need to stay in lockstep. As our clients grow, we want to grow with them.”

At the other end, Trisura has developed systems that make it possible to economically deliver bid bonds and surety for smaller contractor sureties, often a challenge for any surety underwriter or broker because of the high administrative costs in relation to the tiny premium income.
Pina Mazzoli, Trisura’s vice president, commercial surety, said the company has invested in information technology, including the ability to update and manage its portal, allowing brokers to automate delivery of the low cost bonds under their own brand/identity. (Brokers can elect to enter the required information directly or provide a self-service model to their clients, and they have approval capacities within significant underwriting limits.)

The growth and ability to serve a diversity of contractors’ requirements means that Trisura can serve virtually all underwriting requirements. “The majority of the Canadian construction industry is built on privately owned regional contractors,” said Sekine. “We can handle the largest of regional contractors and accommodate the needs of the smallest.”

“As we’ve grown and built our balance sheet, we’ve positioned ourselves to serve the needs of even bigger contractors,” George said.

In the future, Trisura plans to continue its growth and the company sees much opportunity ahead.

“The new Liberal government has promised $125 billion in federal infrastructure spending over the next decade, in place of the previously planned $53 billion,” George said. “And the provinces have contributed as much or more. Ontario, Alberta, Quebec and BC have all committed to three or four times what the feds have committed in their areas... this is a massive amount of infrastructure spending over the next decade.”

Even with the additional spending, the nation’s infrastructure deficit remains daunting — in the hundreds of billions.

This projected massive increase in demand for construction services, especially those covered by surety bonds, has been tempered in recent years with Public/Private Partnerships (PPP), where consortiums are assembled from builders and financiers. Because these projects are self-funded, they often do not require conventional surety bonds, though could still benefit from performance surety coverage to ensure contract completion and compliance by sub-trades. In addition, the trend of bundling projects into larger mega projects has squeezed out many local contractors.

The squeeze on midsize contractors has been significant. Smaller contractors get by from job to job, and the largest contractors are able to bid and compete for the P3 work and the bundled projects. “The midsize guy has a decision,” George said. “Does he remain smaller or midsize, or does he start going upscale and chasing bigger work?”

Given these industry trends and the challenging economic times, Trisura can see the strain on the income statements of many middle tier contractors, who face increasing competition for a smaller number of projects. However, this seemingly difficult environment doesn’t scare the underwriter.

“We work with our clients through good times and bad times, and are not fleeting in terms of relationships,” George said. “We get information based on past experiences, and our knowledge and confidence in the contractor’s financial resources, and can provide additional surety commitments, based on the contractor’s business plan and our best assessment of where that contractor is going to be a couple of years from now.”

“Simply having a bad year doesn’t mean the contractor is in jeopardy of losing its business,” Sekine added. “The majority of our contractors have enough cushion in their balance sheets to weather the storm - and we work with them to make sure they don’t fall into jeopardy.”

This includes advising contractors about balance sheet structure such as matching long term assets with long term debt, rather than using operating lines of credit for capital expenditures; and keeping lines of credit available for its intended purpose, which is to help finance short term working capital needs. In addition, contractors should also evaluate matching capital expenditure obligations with revenues and cash flow. In other words, it may make more sense to rent...
equipment than to sign multi-year equipment financing loans, unless the contractor truly has the work booked to cover the asset value and debt repayment obligations.

“With our clients, we’ve done the assessment and we’re backing them,” he said. “That’s part of the hidden benefit of surety (to owners): The whole prequalification process and discussion and dialogue with the client when support is required.”

George said there’s a natural (and in the surety business, unusual) close relationship between Trisura, its brokers and clients. This is the world of entrepreneurship, where decision making is quick, and creativity and responsiveness are vital components of relationships and business success. As Trisura is 40 per cent management owned, the owners are on the ground, without massive corporate bureaucracy, and with competent and creative local representatives in communities near brokers and clients.

“We talk to contractors on a different level than our competitors,” Sekine said. “We have a vested interest in everybody’s business growing together, and the dialogue with our customers (brokers and contractors alike) is about how we can help them be more successful.”

“As entrepreneurs ourselves, we embrace risk every single day,” he said. “When contractors are looking to grow, we approach it from our own experience of growing a business. It enables us to empathize, understanding and discussing vital business decisions faced by other entrepreneurs.”
Of course, the surety underwriter still needs to take a responsible approach to risk. The premium leverage, often as low as one per cent of the project at risk means it is vital to be prudent.

However, at Trisura, “the buck stops with us in terms of decision making,” George said. “We don’t defer decisions to head offices in the U.S. or Europe. We make our decisions here. We understand Canada. We pride ourselves in finding solutions. We will sit down and find solutions.”

“We find ways to say ‘yes.’ Large organizations become institutionalized and the easy route is to say ‘no’ – but that is not how Trisura was established and that’s not in our best interest.”

In the short term, Trisura believes contractors need to be “really diligent in getting paid on time” and avoid the risk of unpaid change orders. They should make sure their banking relationships are strong and they should minimize their reliance on the banks. Cash is always king. “Contractors usually go broke because they run out of available cash,” George said.

This has created stresses in some markets, such as Alberta, but Trisura doesn’t see major problems because, as noted earlier, the contractors working with the company have solid business structures and capacities, and can adapt to the changing environment.

The future looks bright. “In the long term, we’re bullish,” he said. “In terms of the population and infrastructure spending, Canada is pretty well positioned on a global basis. We’re bullish over the next 15 to 20 years in terms of construction.”

“We’re engineering the business to the future to support what we see as a lot of construction growth over the next while,” George said.

“The economic cycle will change, and the contractors we work with will weather the short term challenges and we will grow together.”
Contracting is an extremely risky business. Indeed, the average life expectancy of a construction company is only about seven years, yet many firms last much longer. Interestingly, there seem to be certain common characteristics exhibited by the most successful of these firms. Many of these traits also happen to be the key areas that surety underwriters focus on, and if put into practice by a contractor, should result in greater surety credit being made available. In fact, these tips might just help you in building a more successful business over the long term.

Having spent the past 20 years focused on the construction industry, working with contractors and their brokers as a surety underwriter, I have developed a deep and lasting respect for contractors – pure entrepreneurs who risk everything by committing to get a job done for a specific price. My job is to evaluate and assess construction and business risk, and ultimately to decide whether to put my company’s assets on the line in support of a contractor on a particular project or on his entire work program.

Sureties evaluate the three C’s of credit in their assessment of a contractor – character (integrity), capacity (ability to do the work, track record) and capital (working capital, net worth, cash). In short, a contractor must inspire a fourth C in the underwriter – confidence. If my confidence level in the abilities of a contractor is high, I am going to support the contractor to the maximum amount I can. In my experience, here are some of the things that I look for:

1. Planning
   The most successful contractors plan for their success. They budget and forecast revenues, expenses and cash flow and compare these projections to actual numbers. They develop annual and often longer term business plans and execute them effectively. They plan for the future by establishing well thought out succession plans. In short, they keep surprises to a minimum. Planning effectively, and sharing your organization’s direction with your surety underwriter, is a big plus.

2. Stick to your knitting
   Focus on work you know your organization can handle. Variables to consider include scope of work, resource allocation, size of jobs and geographic location. The best contractors demonstrate discipline and self-control in the work they pursue and will not "bet the company" on any one job. A great contractor once told me sometimes the best job is the one you do not bid.

3. Build net worth and working capital
   We look for our contractors to make money and keep profit (at least some) in the company. I know this sounds rather obvious, but the most successful contractors are those that have built a strong foundation by adding to their financial resources year in and year out.

   Working capital, the liquidity, or net cash resources of a firm is a true sign of strength and demonstrates a contractor’s ability to deal with the inevitable short term hiccups involved in the business. Most sureties will simply calculate net worth and working capital and apply a leverage factor to determine the maximum support in terms of bonded and unbonded aggregate costs to complete what they will grant a contractor. A basic rule of thumb is the higher your working capital, the more surety support you will get.
4 Avoid the bank

With few exceptions, general contractors should have net cash balances and not borrow (except to finance fixed assets). Sureties tend to have a negative view towards generals that borrow regularly to either finance day to day operations or works in progress, and these companies will generally not get the same surety support as companies that run with cash balances. Subs, by their nature, tend to be borrowers as they have to finance labour and materials. For both, it is important to have an operating line of credit available to you that can act as a buffer if cash flow gets tight, and make sure you set it up when times are good (ok, this may now be too late).

Remember that the banks will give you an umbrella only when the sun is shining, and depending on the timing of the economic cycle and management’s flavour of the month, they are either in construction or out of it. Don’t allow the bank to take cash resources to secure the operating line of credit as this simply defeats the purpose of getting it in the first place.

The bottom line is that if you rely heavily on the bank, you have given up some of the control and flexibility of your organization. Speaking of bottom lines, the contractor earning interest income because he has cash has a competitive advantage over the contractor paying out interest expense because he borrows.

If possible, use fixed assets such as land and buildings and equipment to borrow for a longer term to help create working capital.

5 Keep your company “clean and simple”

Complex and confusing organizations with different year ends and numerous inter-company transactions do not inspire confidence in your underwriter (and they are far more work for us to understand). Clean and straightforward organizations get the most support. If you are going to invest in opportunities outside of your construction business, keep them separate from your bread and butter contracting business to avoid compromise.

6 Practice prudent risk management

Reduce and spread your risk by signing good contracts, ensure the company you are working for can and will pay you, and bond back your own sub-trades and major suppliers. Take as much risk out of your jobs as you can and protect your margin.

We are seeing an ever increasing pass of risk down from owners and their consultants to contractors. Prudent risk management is a must. Ensure your business is adequately insured, including key man life and critical illness insurance payable to your business in the event of your untimely demise or illness.

7 Keep disputes and litigation to a minimum

Litigation is expensive and with uncertain outcomes the only sure winners tend to be the lawyers. Construction is all about disputes and excellence in dispute resolution is a differentiating factor for the best contractors. Sureties do not like to issue lien bonds and hate getting dragged into disputes. As an underwriter, I have the highest confidence in organizations that deal with their problems quickly and quietly.

8 Build the best team of professionals you can

Surround yourself with experts in all facets of your business. This includes your surety and insurance broker, your accountant, lawyer, banker and underwriter. I find that the best contractors draw on these resources almost like an external board of directors and use the advice of truly knowledgeable people in helping shape and direct their business. There are very few experts in each of these areas in each region of Canada, so make sure you get the best you possibly can and use them whenever possible.

9 Provide quality information

Regular information flow to your underwriter allows him or her to know what’s going on in your organization. Most sureties look to receive accurate and timely quarterly updates of financial statements, work on hand reports, and listings of accounts receivable and payable from their active accounts. Advance notice of large upcoming tenders is also a plus. The better the information flow to your surety, the more comfort they will have with your program and the more support you will get. Sureties generally require annual financial statements to be prepared on a review engagement or audited basis. Notice to reader statements generally are not acceptable.

10 Get to know your surety underwriter

Insist on getting to know your surety underwriter, and especially the decision makers within the surety company. Our comfort with a contractor tends to increase with familiarity and if we can get together face to face from time to time, it will help you maximize your support.

Hopefully some of these tips will help you understand more about how a surety underwriter approaches your business and will enable you to maximize your surety support. More importantly, I hope these tips will help you grow and manage your business even more successfully in the future.

Mike George is Trisura’s president, chief executive officer and co-founder.
Economically, the past few years have been difficult for Canada and the construction industry certainly hasn’t been insulated. On Oct. 19, Canadians voted in a majority Liberal government. Regardless of your political stripe, the new Liberal government should bode well for the construction industry over the next four years. The stock market reacted immediately with positive gains in construction and engineering firms.

The Liberal government’s infrastructure plan calls for increasing the amount to be spent on infrastructure by $60 million to $125 billion over the next 10 years. This will be a major step towards dealing with Canada’s infrastructure deficit that some estimate to be in the order of $250 billion. During the first four years, the government plans to spend $17.3 billion on infrastructure. Their plan has three priorities: Public transit infrastructure, social infrastructure and green infrastructure.

For the Ontario construction industry, all of this should be really good news. Earlier in the year, the Ontario government committed to spend $130 billion over the next 10 years on public infrastructure such as roads, bridges and public transit. Included is $31.5 million in the Moving Ontario Forward plan which has $16 billion earmarked toward public transit projects in the greater Toronto and Hamilton areas. The province also plans to provide $11 billion in grants over the next 10 years to school boards for new building projects and renovations.

In other parts of Canada, infrastructure is also a priority. For example, Alberta’s new NDP government plans to spend $34 billion on infrastructure projects over the next five years. Priorities are: $10 billion for municipal infrastructure, $4.7 billion for roads and bridges, $3.8 billion for schools, $1.6 billion for government facilities, and $2.2 billion for health care.

The 2009 recession was brought to a soft landing with timely infrastructure spending playing an important role in economic stimulus. Previously, priority was given to “shovel ready” projects. This time around, infrastructure spending has the ability to again provide much needed economic stimulus and help create jobs, but the economic impact will be maximized if construction projects start swiftly. Timely government action will be key.

However, as the majority of construction firms in Canada are privately owned regional contractors, we hope the trend of “project bundling” discontinues, giving all Canadian construction companies better access to infrastructure money. There is some optimism in this regard as the Globe and Mail recently reported that the Infrastructure Minister, Amarjeet Sohi, indicated municipalities won’t be required to establish public-private partnerships in order to access infrastructure funds.

As a result, we are cautiously optimistic for construction over the next few years. Although the Canadian infrastructure deficit is significant, governments seem committed to act. The money being dedicated to new and existing infrastructure is good for Canada and means opportunity for contractors.

Chris Sekine is Trisura’s senior vice president, surety.
What brokers say about Trisura

Matthew Civichino, ELM Insurance Brokers Inc.

Matthew Civichino has a great working relationship with Trisura. He believes it can be any better. They are always open and receptive to thinking outside the box. They constantly encourage us to bounce ideas off them regardless of how those ideas may be perceived. It is truly an open line of communication and one that is without preconceived views and opinions.

We have a relationship based on admiration and mutual respect, all while keeping the “eye on the prize;” the construction community and contractors we love to serve. Trisura always responds in the most positive way they know how, putting their best foot forward. Whether it’s a new potential client or existing, they are courteous, friendly and unpretentious.

We thoroughly enjoy all our interactions with Trisura and are proud to represent them in partnership to our clients. As a company, their philosophy is evident from upper management to the underwriters in training. There is a willingness to always meet with clients and they never forget that the numbers are only half the story. They all see the big picture and that’s what makes dealing with them so great.

Doug Corby, Masters Insurance

In the Canadian surety market, consolidation is commonplace. There are few, if any, truly Canadian companies left providing surety capacity to domestic contractors. Trisura is not only proudly Canadian but has distinguished itself as an industry leader.

Mike George, Chris Sekine and the entire Trisura team are both friends and important business partners. Masters Insurance and Trisura share a common commitment to surety. We wish Trisura nothing but continued growth and success.

Gregory Petrela, Petrela, Winter & Associates

Our relationship is outstanding. It is founded on mutual respect, and a common dedication to the construction business. Surety bonding, although a financial product at the core, is a service and relationship business, we are happy to be a big part of their tremendous success over the first 10 years and are very much looking forward to continued, mutual growth together over the next 10 years.

Trisura’s success is built on solid and sustained relationships with Canada’s leading insurance and surety brokers, who have the depth of relationships and an understanding of local market conditions and their clients’ requirements.

Here are some comments from leading insurance and surety brokers. (Brokers’ comments are in alphabetical order.)

Kent Peters, Aon

Aon’s Surety Division places client engagement and satisfaction at the heart of our services. We pride ourselves in providing innovative solutions to our clients. We aligned with Trisura to produce and deliver new and unique products to solve our clients’ needs. This partnership works because of the people, the knowledge and expertise; we see the results – they delight.

This is a significant plus in the construction surety market, where it can seem that the rules and guidelines should be well established, but each project and client has unique challenges.

Trisura’s commercial surety team, led by Pina Mazzoli, have provided us with the tools to automate complex, high volume, client specific bond programs. Their automated portal has allowed us to streamline our operations and focus on what we do best, help our clients.

The key to our successful relationship – Trisura has proven to be professional, reliable, productive and prompt. They come to the table with bright, innovative and doable ideas.

Ray Shannon, Bradley’s Insurance

From a relationship perspective, Trisura’s team is unique in that they are a surety focused company, and that differentiates them from a lot of players in the insurance/surety space, in that it is their main line of business. Other companies have surety divisions, but for Trisura it is the major focus. They just do it really well.

Their client focused culture is driven right from company president, CEO and co-founder (Mike George), who will meet personally with our clients. The fact that the leader who runs the whole company is so accessible is an indication of the value Trisura brings to client relationships.

Really what has helped Trisura succeed is the quality of its people, who combine knowledge, experience, good personalities, and strength in building relationships. At the end of the day, they are just great to work with.

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Trisura develops broker friendly portal as it prepares to introduce low cost broker friendly sureties for smaller contractors

Trisura has pioneered in developing a user friendly electronic portal, designed to make it easier for brokers to support their clients and to process commercial and surety bonds that would otherwise be uneconomical to transact.

Pina Mazzoli, Trisura’s vice president, commercial surety, said the underwriter has switched to a “paperless” model for all of its commercial surety business – and the portal is very flexible.

“It has enhanced functionality in how our brokers use it,” she said. “They can choose to do the entire transaction themselves on behalf of their clients, or they can hand off the application process – allowing their clients to complete their applications themselves and pay for the transaction in real time.”

Mazzoli said Trisura values its broker relationships and doesn’t want to interfere with the way brokers interact with their clients. The portal is designed to enhance the broker client relationship by creating efficiencies and ease of doing business for all parties involved.

The system allows brokers to leverage relationships for higher volume and low margin surety product sales, the types they would either accommodate as a loss leader for existing clients, or avoid because the servicing costs would far exceed the potential revenue they could earn.

“The broker has working authority of $100,000 for classes of business we offer through the portal,” she said. “That covers most transactions where there are few claims and innocuous obligations, such as license and permit bonds, customs and tax bonds and Quebec contractors’ license bonds,” she said.

As well, Trisura is preparing to expand its surety portal capacity for smaller contractor bonds, which would have been prohibitively expensive to underwrite previously.

In these situations, the contractors will provide their financial statements and answer other questions online and the system will check credit and other aspects automatically, approving the application if all is in order, or responding with further questions or requests for documentation.

“We expect we’ll be able to eliminate manual underwriting here,” she said. Brokers will, of course, be able to serve their smaller contractors effectively and with more business.

Mazzoli said Trisura currently conducts about 35 per cent of its commercial surety business through the portal. The underwriter expects that with enhancements, the online service will be able to accommodate 80 to 90 per cent of its business.

For sureties, this will often convert a process that takes weeks to complete into a simple and speedy system.

“Before, with paper and wet seals and signatures, the process would take up to several days to several weeks,” she said. “With the portal, we’ve condensed that into a 10-minute process with, in many cases, the bond signed, sealed, and ready to be sent.”

The new system will allow brokers to negotiate agreements with associations to sell large quantities of inexpensive and easy to administer bonds. “Brokers could generate significant revenue through a single program, at no additional cost.”

The bonds meanwhile can be managed through their lifecycle through the online portal. “Bonds can be renewed, endorsed and cancelled, all through the portal,” she said.

The platform has been designed to evolve and can be updated as new technologies and services are introduced.

Through everything, she said the portal has been designed to reflect brokers’ interests.

“The broker is our primary client,” she said. “We want to be very sensitive to maintain that through the platform we’ve built. The client is theirs, and they (the brokers) can choose how they want to transact with their own clients.”
Trisura grows with Tarion developer surety clients

About five years ago, Trisura entered a specialized market – providing Deposit Insurance/Warranty Bonds and Excess Condominium Deposit Insurance (ECDI) facilities, required by the Tarion Home Warranty Program. Tarion Warranty Bonds are typically required for each condominium unit to protect a condo buyer’s deposit and any warranty deficiencies. Posting a bond allows the developer to free up these funds, which would otherwise be held in trust.

Kim Roberts, manager of developer surety, said Trisura carved out a niche market focusing on small to mid sized developers whose projects are in the range of 100 units with a construction schedule of 18 months or less. This focus has now been diversified to include projects in excess of 200 units, which typically have longer build out times.

The business has proven to be successful for both Trisura and the developers. “Since the beginning, Trisura has taken an active role in consulting smaller and/or novice developers through the bonding and related processes,” Roberts said. There was a relatively untapped opportunity to work with smaller developers, and Trisura set up systems to manage them effectively.

“We have assisted some developers in achieving high growth objectives,” she said. “They started out with one small project, then went to two projects, and grew with their success.”

Referrals have come from all corners of the industry: lenders, lawyers, developers, existing construction clients and project consultants, to name a few. The business is doing well and ready for the next step in its evolution.

The company’s growth and success has allowed Trisura to further enhance its coverage capacities and service. Five years of developer surety experience has solidified a solid base for growing business, but that hasn’t stopped Trisura from looking ahead with the intention to expand its appetite for larger projects. This doesn’t mean the underwriter has forgotten about smaller clients, but rather, is looking to take advantage of future opportunities that were previously out of its scope. In addition, “we want to ensure we are growing in step with our existing clients who are taking on larger projects,” Roberts says.

“The developer surety product was created specifically to serve as security for deposit and warranty coverage for new home developers in Ontario,” she said. “Fees are reasonable, and we have worked to be very flexible and conscious of our clients’ needs based on the concept that developers need to be financially prequalified for approval.”

While Tarion and the processes involved have remained consistent over the years, there’s always a lot going on with the players inside the industry. Increase in competition has led to softer terms in the market, for one. New opportunities continue to transform the developer surety business, and Trisura along with it.

Trisura introduces cost-effective program for contractors with limited surety requirements

Statistics Canada reports that nearly 99 per cent of Canadian construction companies have less than 100 employees and more than 60 per cent have fewer than five employees. Despite the importance of smaller contractors and the limited bond user segments to Canada’s construction economy, the surety market is underserved and in need of a unique approach. In fact, small contractors represent a robust entrepreneurial force that’s driving infrastructure, enhancing local businesses, and contributing to the value of gross domestic product.

“Accounts with limited surety needs aren’t the same as traditional surety accounts, therefore, they should not be underwritten the same way,” said Matt Baynton, vice president, surety (national). “Trisura has recently launched a program built upon the recognition that all corners of the surety market require service in equal measure.”

Baynton said the new program focuses on what’s important. “There is a clear goal to attain. For example, balance between the personal finances of the shareholder with the corporate finances of the construction company is paramount. Metrics such as length of time in business, overall profitability, debt loads, credit scores, and the difference between corporate and personal net worth are considered essential factors in attaining balance.”

Brokers understand that the time compared with the benefit to setting up a small contractor surety facility is challenging. “A streamlined approach is required. This is what we are offering,” Baynton said. “The expectation is that the process remains consistent, fast, and decisive. This allows for efficient and convenient management of the broker’s small account portfolio.”

Trisura hopes to introduce an online tool for issuing small bonds in the near future, Baynton said. “We want to continuously push the envelope in providing better and more efficient service to our brokers and their clients. We want to be on the leading edge of innovation in driving the surety industry forward, ensuring that surety bonds remain a relevant product for decades to come.”

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