

Surety Bonds

More and more companies in the construction industry or goods and service companies do business with **clients requiring financial guarantees.**

In order to conform to the clients' requirements, contractors must offer guarantees either by depositing a certified cheque, a bank's letter of credit or surety bond.

In order to meet the requirements and needs of its various clients', **Vézina only negotiates with well-established insurers having a superior financial rating.**

Why open a bond line of credit and give guarantees by means of a bond?

Bid and/or Performance Bonds

Here are **the main advantages** in providing a bond instead of a certified cheque or a bank's letter of credit:

- Affords more credibility to your company by **confirming its excellent financial standing;**
- **Allows for the full use of the operating line of credit granted by the financial institution.** The financial institution normally deducts the amount represented by the certified cheque from the total operating line of credit.
- **Offers protection in the case of an unjustified claim,** such as a dispute arising from conflicting interpretation of the contract, whereas a certified cheque is an irrevocable and unconditional guarantee solely under the client's purview.
- **Offers greater flexibility** as the tender price can be adjusted up until its submission.

To issue bonds, **insurers underwrite the company's and the owners' financial worth, their experience**

and the needs of the company. Following the underwriting, the insurer can offer a bond line of credit to be used within certain terms.

A 48 to 72 hour delay is usually required to **secure a bond line of credit** to afford time for underwriting the documentation. Thereafter, request for **bid and performance bonds will be processed quickly.**

Commercial Bonds

Vézina can provide you with bonds required to obtain certain licences or permits from government institutions and here are some examples:

- Régie du bâtiment;
- Régie des marchés agricoles et alimentaires du Québec;
- Federations of producers;
- Ministry of the Environment;
- Office de la protection du consommateur;
- Société de l'assurance automobile du Québec;
- Customs & excise bonds;
- ATA Carnet from The Canadian Chamber of Commerce;
- Trusteeship and curatorship bonds;
- Lost document bonds.

To obtain more information concerning your insurance or risk management requirements, we encourage you to contact your account executive at Vézina, whose knowledge enables them to offer you unsurpassed guidance for the choice of coverage that best meets your company's situation thereby protecting what counts most to you — the future of your company!