



# ANGELL-CURTIN ADVANCED SURETY SCHOOL

## Level III

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### Level 3: 1,215 minutes

#### Wednesday

**8:00 – 8:30 a.m.                      Welcome/Introductions/Program Overview                      (30 minutes)**

Overview of the course content with state insurance statements.

**8:30 – 10:30 a.m.                      Strategic Industry Issues                      (120 minutes)**

The students will understand some of the most important drivers of change in the surety business, including economic climate; changing legislation and state and federal regulations; recent pertinent legal decisions; and new technology. Students will get an in-depth look at new procurement and financing methods, co-surety and how those affect the construction industry and the underwriting criteria of sureties.

**10:30 a.m. – 12:00 p.m.                      Surety Reinsurance                      (90 minutes)**

The students will understand some the most important pieces of the surety reinsurance and why it is important for high functioning surety professionals, both underwriters and producers, to have an understanding of this arena. We will cover the ‘what & why’ of surety reinsurance, basic forms of surety reinsurance, treaty structure, treaty placement, key treaty contract clauses, impacts of surety reinsurance , and the (Re)Insurance Marketplace.

**12:00 – 1:00 p.m.                      Lunch on Your Own**

**1:00 – 3:00 p.m.                      Sales & Marketing                      (120 minutes)**

This section teaches students how to position themselves as a tool for their current and prospective clients by engaging in relationships with proven entities, by carefully matching clients with sureties, understanding the character and disposition of each. Students are given instruction on how to create “tipping points” that will drive new clients to them in a holistic, organic way.

**3:00 – 5:00 p.m.                      Internal Processes and Job Cost Systems                      (120 minutes)**

This section is designed to enhance students’ abilities to distinguish between internal processes that are inadequate (weak) and those that are representative of best-in-class (strong). It also provides questions to ask the contractors that you support along with key types of information that should be solicited to further your

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understanding of the contractor's capabilities. Further, several concepts warranting further consideration will be presented.

### Thursday

**8:00 – 10:00 a.m.                      Internal Processes and Job Cost Systems                      (120 minutes)**

See explanation above.

**10:00 a.m. – 12:00 p.m.              Work in Progress    (120 minutes)**

This section teaches the students how to delve into a contractor's work-in-process reports, examining the effectiveness of the estimating and project management controls and procedures. The student then learns how to apply that information to the percentage of completion information to determine the potential impact of each construction project on the overall financial wellbeing of the company.

**12:00 – 1:30 p.m.                      Lunch with Speaker**

**1:30 – 3:30 p.m.                      Assessing a Contractor's Cash Flow    (120 minutes)**

This course provides the students with advanced comprehensive analytical tools to assess the risk associated with a contractor managing their cash flow. The course will contrast the analysis of percentage of completion financial data with that of cash flow efficiency ratios and cash flow adequacy ratios and other underwriting considerations. There will be a discussion on suggested best practices and action steps that a contractor could take to improve their cash flow in today's marketplace.

The students continue the module with a case study that requires them to employ the analytical tools and ratios learned in the first part of the section to assess an actual construction company. The participants will perform an underwriting assessment, formalize their underwriting response to both a request for bid bond support and a request for a (final) performance and payment bond support, and deliver their presentation to the agent and contractor. At the conclusion of the case study, they will be provided with the current condition of the case with time for questions and answers and a wrap-up/summary of the module.

**3:30 – 5:30 p.m.                      Credit Modeling/Peer Review/Benchmarking    (120 minutes)**

This section looks the history and current practices in credit modeling and discusses its functions in the surety market; including providing consistent measurements for all clients, giving a baseline to evaluate credit quality, and contributing to loss forecasting and reserve management. The module offers students practical advice on building a credit model. The section then explains how benchmarking differs from credit modeling, providing a standard by which we compare two entities against each other, and explains how sureties are using benchmarking. Students then get an inside look at the essential components of benchmarking including ratios, leverage and liquidity.

### Friday

**8:00 – 10:00 a.m.                      Insurance/Risk Transfer/Risk Management    (120 minutes)**

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This section focuses on the myriad of contractual relationships on a construction project and the duties and triggers in indemnification clauses in construction contracts. Students learn the significance and extent of insurance requirements contained in subcontract agreements, and the content, purpose, and limitations of insurance certificates and additional insured endorsements. Students will learn specific tools to help evaluate contractual risk transfer processes.

### **10:00 a.m. – 12:00 p.m. Construction Continuity**

**(120 minutes)**

As long as there are construction companies, there will always be the need to answer the questions surrounding continuity. In this section students will learn a systematic way to develop, monitor, and forecast the effective transition of a contractor firm's ownership through a variety of continuity vehicles. It is designed to educate, encourage, and inspire future surety leaders about contractor continuity principles that enable successful continuity delivery. In this section, students will learn about the various elements of contractor continuity, apply their underwriting skillset to evaluate continuity plans from a risk perspective, monitor & evaluate contractor health post ownership transition, and learn how to respond to variances and changes within the continuity process. This course will help students connect various learning concepts from other surety courses and integrate these concepts into a continuity plan.

### **12:00 – 1:00 p.m. Lunch on Your Own**

### **1:00 – 2:00 p.m. Construction Continuity (continued)**

**(60 minutes)**

**Continuation of this section. See explanation above.**

### **2:00 – 4:30 p.m. Wrap Up ("The Sale")**

**(150 minutes)**

Students will review the information learned over the preceding days. The culmination of this process will be to use this information and finalize the sale of the overarching case study company, that they have been worked with throughout the course.

### **5:30 – 7:30 p.m. Graduation Reception and Dinner**