Level 3: 1,395 minutes

Wednesday

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

8:30 – 11:45 a.m.     Advanced Commercial Surety Large Accounts     (195 minutes)

Using three case studies of very different types of accounts – an appeal bond, a large commercial account, and a probate case – students are introduced to commercial underwriting concepts as they differ from contract underwriting. They learn resources where they can locate and assess financial condition of potential clients. Students will also gain understanding of how to determine account and program risk profiles.

11:45 a.m. – 1:00 p.m. Lunch on Your Own

1:00 – 5:00 p.m.       Revenue Recognition and Leases      (240 minutes)

Why the changes occurred and what issues drove the changes? What are the basic provisions? This section walks through the standard five-step model through which companies will analyze each contract. Students will learn about identifying the contract(s), identifying the performance obligation(s), determine the transaction price, measuring progress to completion for each performance obligation and recognizing revenue as the entity satisfies the performance obligation. During this section we will also walk through the new lease guidance. Students will learn how the new lease model recognizes assets and liabilities related to a company entering into a lease from a lessee point of view. We will not discuss the new lease guidance from a lessor point of view.
Thursday

8:00 – 11:45 a.m.  Advanced Financial Analysis and Underwriting: Work in Progress (225 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.

11:45 a.m. – 1:00 p.m.  Lunch with Contractor

1:00 – 3:00 p.m.  Insurance/Risk Transfer/Risk Management (120 minutes)

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.

3:00 – 5:00 p.m.  Marketing & Sales Strategies (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.
Friday

8:00 – 10:00 a.m.  

Advanced Financial Analysis and Underwriting:  
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.

10:00 – 11:45 a.m.  

Advanced Financial Analysis and Underwriting: Credit Modeling/Peer Review/Benchmarking  
(105 minutes)

11:45 a.m. – 1:00 p.m.  

Lunch on Your Own

1:00 p.m. – 3:00 p.m.  

Advanced Financial Analysis and Underwriting:  
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.

3:00 – 5:00 p.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, reinsurance, co-surety and how those affect the construction industry and the underwriting criteria of sureties.

5:30 – 7:30 p.m.  

Graduation Reception and Dinner