



**National Association of  
Surety Bond Producers**

# **Automation Survey Results**

**2013**

## Introduction

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The Automation and Technology Committee of the National Association of Surety Bond Producers (NASBP) designed the first *Information Technology Survey* in 2007 with the objective of examining technology trends by NASBP members. In this fourth edition, the 2013 Automation Survey compares results and discovers trends among our respondents. In addition, the Survey seeks to compare results with the previous survey results produced in 2011. NASBP is an international trade organization of professional surety bond producers and allied professionals who specialize in providing surety bonds for construction contracts and other purposes to companies and individuals needing the assurance offered by surety bonds. NASBP producers engage in contract and commercial surety production throughout the United States, Puerto Rico, Guam, and a number of countries.

The following survey results provide valuable insight into the technology and business practices of NASBP members.

## Methodology and Definitions

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### Methodology

The 2013 Automation (*formerly Information Technology*) Survey is the fourth automation and technology survey conducted by the National Association of Surety Bond Producers (NASBP).

The online survey was distributed to 447 member key points of contact at NASBP Member agencies. For purposes of this study, agency size is determined by annual premium volume. There were a total of 53 responses, or a 11.9% response rate. Thirty percent of the respondents have projected annual surety premiums of less than \$1,000,000; twenty-eight percent had projected annual surety premiums of between \$1,000,000 and \$3,000,000; and forty-two percent had projected annual surety premiums of over \$3,000,000.

For more information on NASBP's *Automation Survey* and the Automation and Technology Committee's work, please contact Dave Golden, Director, Technology, at [dgolden@nasbp.org](mailto:dgolden@nasbp.org).

### Definitions

Technical terms are marked in blue and underlined throughout the survey. A complete alphabetical listing of technical term definitions can be found beginning on page 28.

## Executive Summary

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- More than half (55%) of all respondents indicated they will spend about the same on IT in 2013 compared to 2012.
- One-third (33%) of all respondents indicated they have not added encryption to their email or attachments.
  - *Compared to the 2011 NASBP IT Survey, fewer agencies are taking measures to encrypt their email and attachments. Almost half (45%) of respondents indicated they were required to use email encryption when transmitting confidential information in 2011. More than one-third (34%) of respondents indicated they were in the process of researching an email encryption solution at their agency at the time.*
- The majority (56%) of all respondents indicated they are using the Windows 7 operating system on most desktops and laptops at their agency. Nearly half (47%) of agencies with annual surety premiums of greater than \$3,000,000 indicated they are still using Windows XP.
  - *Compared to the 2011 NASBP IT Survey, significantly more agencies, regardless of annual surety premiums, have upgraded to Windows 7 from Windows XP (formerly installed on 82% of the machines).*
- One-third (33%) of all respondents indicated they utilize cable services for their internet connection.
- More than one-third (41%) of respondents indicated they are receiving greater than 51 Mbps of bandwidth in their office. The majority (55%) of agencies with annual surety premiums between \$1,000,000 and \$3,000,000 indicated they are receiving more than 51 Mbps of bandwidth.
- Nearly half (46%) of total respondents indicated they are paying less than \$500.00 per month for internet service.
- Regardless of annual surety premiums, mobile devices including smart phones, laptops, ultrabooks, notebooks, and tablets are commonly used by all respondents.
- Respondents indicated they use a variety of smart phones and tablets at their agency. Apple-branded products led the way. The Apple iPhone products were selected as the most common mobile device across all three levels of annual surety premiums.
- The most common social network agencies have a presence on, regardless of annual surety premiums, is LinkedIn®.
  - *Compared to the 2011 NASBP IT Survey, the use of social media has increased at agencies, especially the use of Facebook, which received 16 responses.*
- There is a correlation between agencies' annual surety premiums and their level of comfort placing data in the cloud. The larger the annual surety premiums, the less comfortable the agency feels placing their data in the cloud.
- The greatest concern placing data in the cloud overall among respondents is security. More than half (56%) of respondents with annual surety premiums between \$1,000,000 and \$3,000,000 indicated security as their greatest concern.
- Two-thirds of respondents indicated they have been involved in processing an electronic surety transaction.

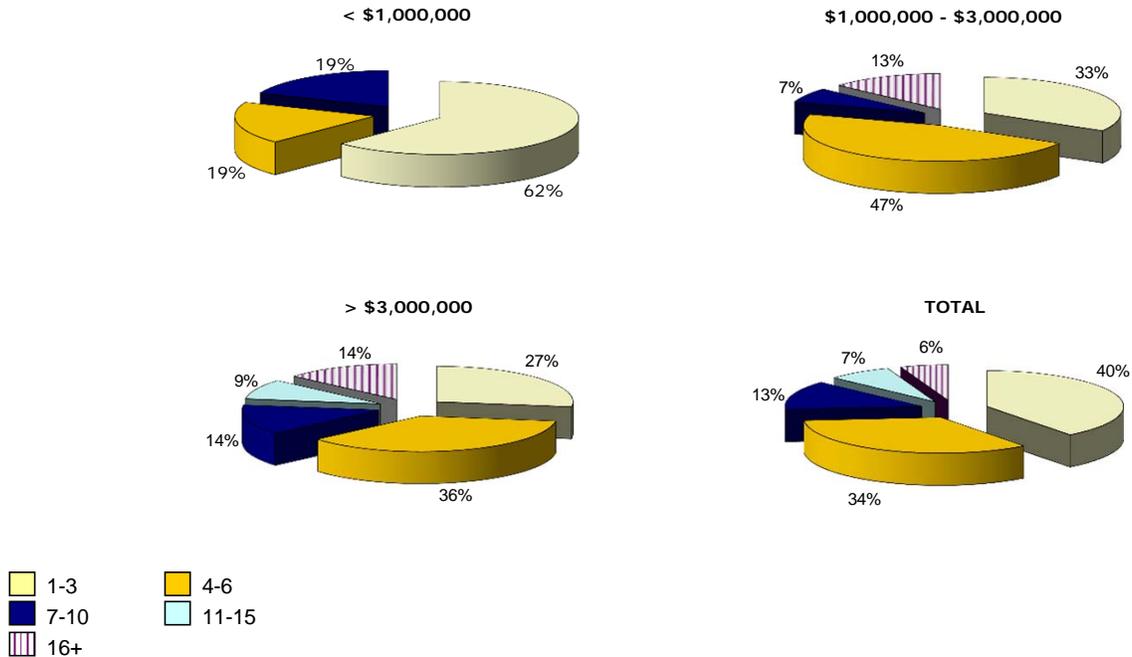
- Nearly three-quarters (72%) of respondents indicated they use a document management system.
  - Compared to the 2011 NASBP IT Survey, the percentage of respondents that indicated their agency used a document management system has gone up. (49%)
- Of those that use a document management system, nearly half (49%) are integrated with other systems.
- More than half (52%) of respondents indicated it would be useful (4/5) or very useful (5/5) to be able to input data using ACORD standards for an industry form in one location rather than re-keying it into other applications.
- More than one-third (35%) of respondents indicated it would save them 6-10 hours of time per month. Nearly one-fifth (19%) indicated it would save them 10-20 hours per month.
- Nearly half (46%) of respondents are very unfamiliar (1/5) or unfamiliar (2/5) with ACORD and what they provide our industry. More than one-third (35%) of respondents with annual surety premiums of more than \$3,000,000 indicate they are very unfamiliar (1/5) with ACORD.

# 2013 Survey Findings

The survey results have been categorized by annual surety premiums: < \$1,000,000; \$1,000,000 - \$3,000,000; and > \$3,000,000. Technical terms are marked in blue and underlined throughout the survey. A complete alphabetical listing of technical term definitions can be found beginning on page 28.

## Agency Profile

### How many full-time employees or equivalent (FTE) are in the Bond Department?



Nearly three-quarters (74%) of respondents have fewer than 6 full-time employees (FTE) or equivalent in the Bond Department.

Compared to the 2011 NASBP IT Survey, there is a significant increase in surety personnel from respondents with annual surety premiums between \$1,000,000 and \$3,000,000 with 16 or more employees. (4% in 2011 vs. 14% in 2013)

### How many of these full-time employee's are licensed surety personnel?

Agency Size	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000
1-3	84%	63%	86%
4-6	75%	57%	73%
7-10	0%	100%	0%
11-15	0%	100%	67%
16+	0%	0%	33%

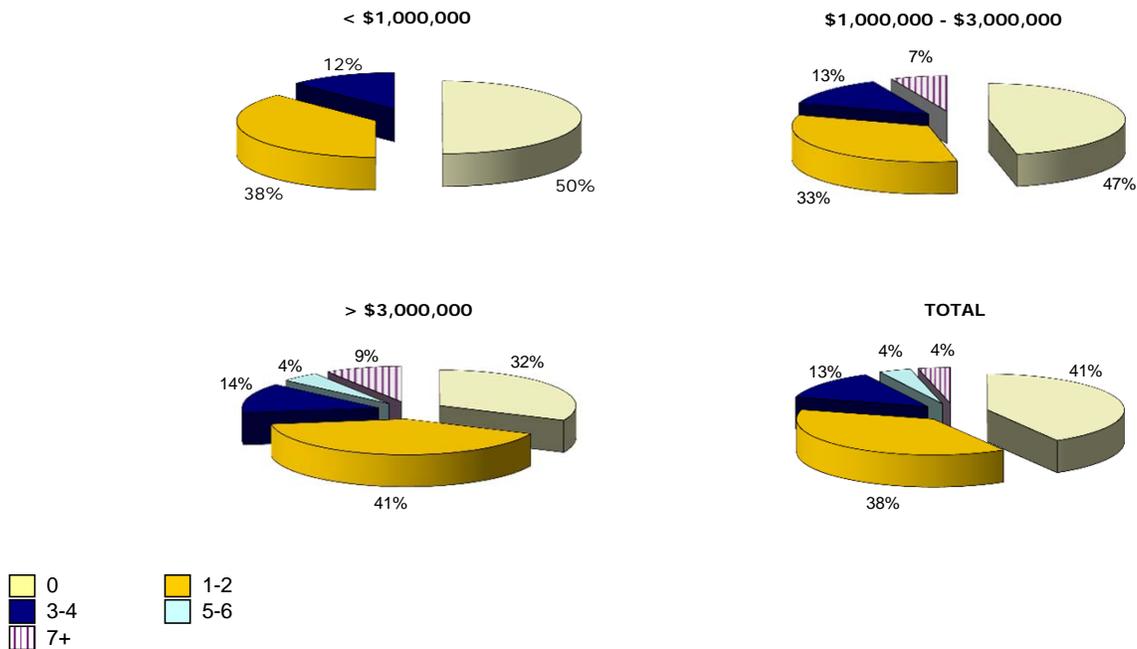
Agencies with 7-15 agents and annual surety premiums between \$1,000,000 and \$3,000,000 reported that all (100%) of their surety personnel are licensed.

Compared to the 2011 NASBP IT Survey, the overall percentage of licensed surety personnel has remained consistent.

**2013:** < \$1,000,000 (79.5%), \$1,000,000 - \$3,000,000 (80%), > \$3,000,000 (64.75%) vs.  
**2011:** < \$1,000,000 (79.6%), \$1,000,000 - \$3,000,000 (82.75%), > \$3,000,000 (68.6%)

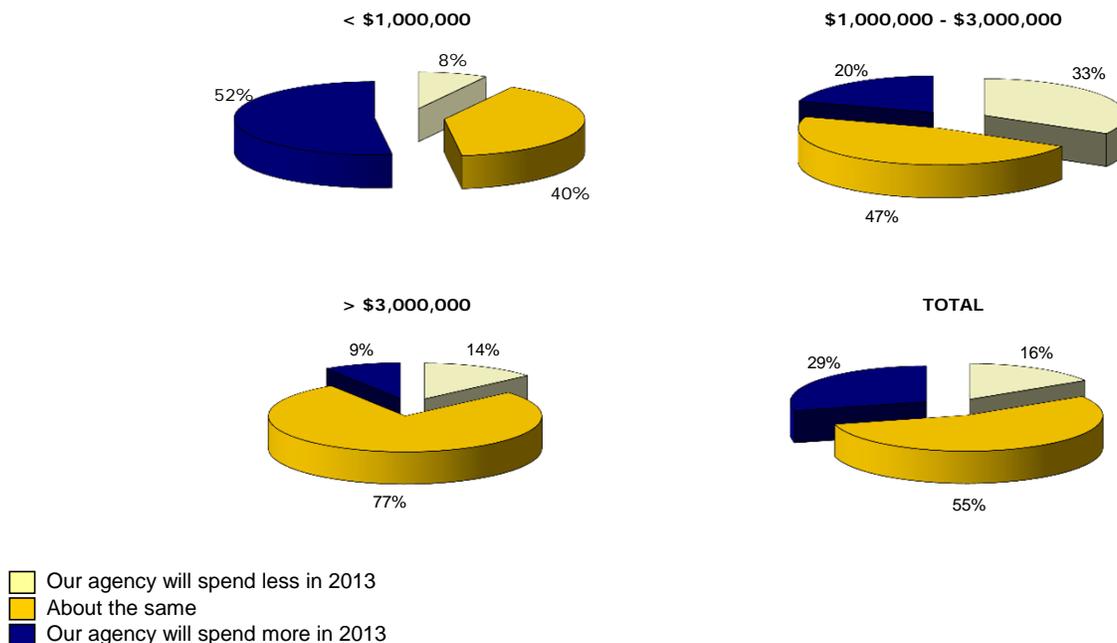
## Technology Environment

How many FTE are supporting the Bond Department from other company departments or from a central resource IT pool?



Most agencies (41%) do not have any full-time employees supporting the Bond Department. Respondents indicated that 41% of agencies with annual surety premiums of greater than \$3,000,000 indicated they had 1-2 full-time employees supporting the Bond Department.

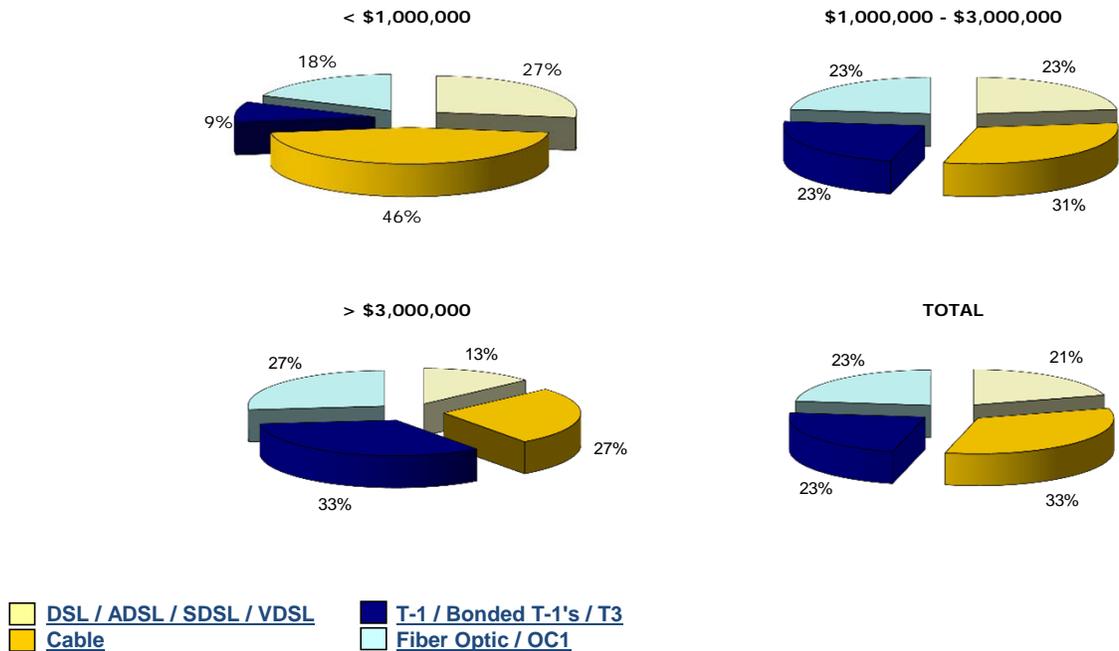
How much do you anticipate spending on IT in 2013 compared to 2012?



More than half (55%) of all respondents indicated they will spend about the same on IT in 2013 compared to 2012.

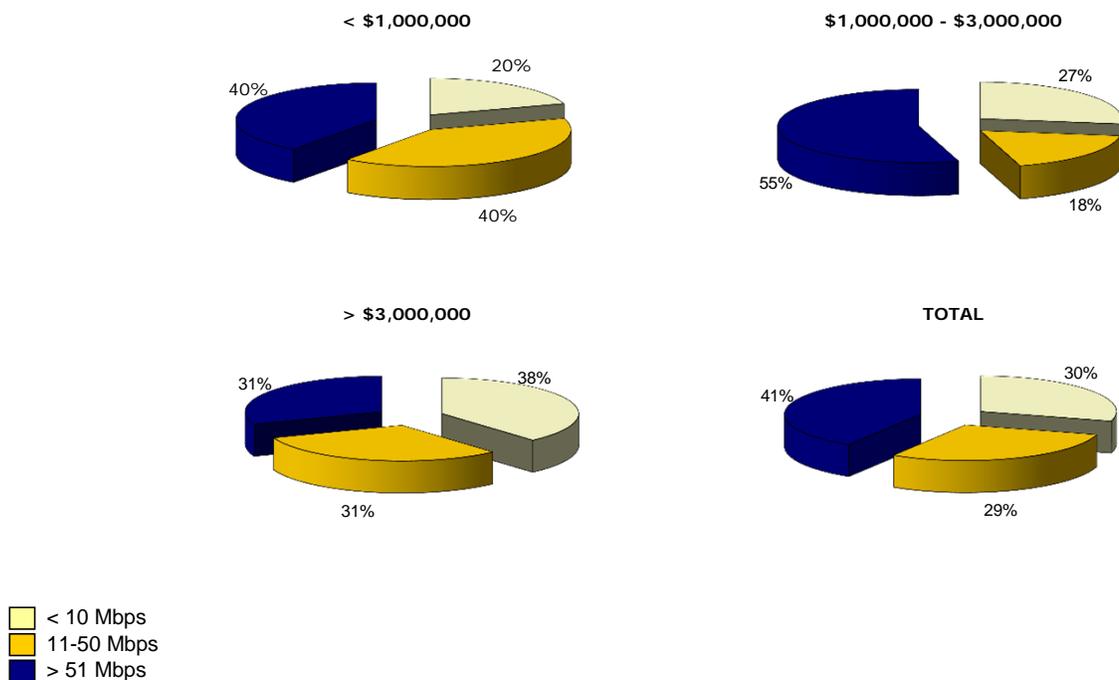
Compared to the 2011 NASBP IT Survey, agencies with more than \$3,000,000 in annual surety premiums plan to spend significantly more.

What type of internet connection do you utilize for your office network?



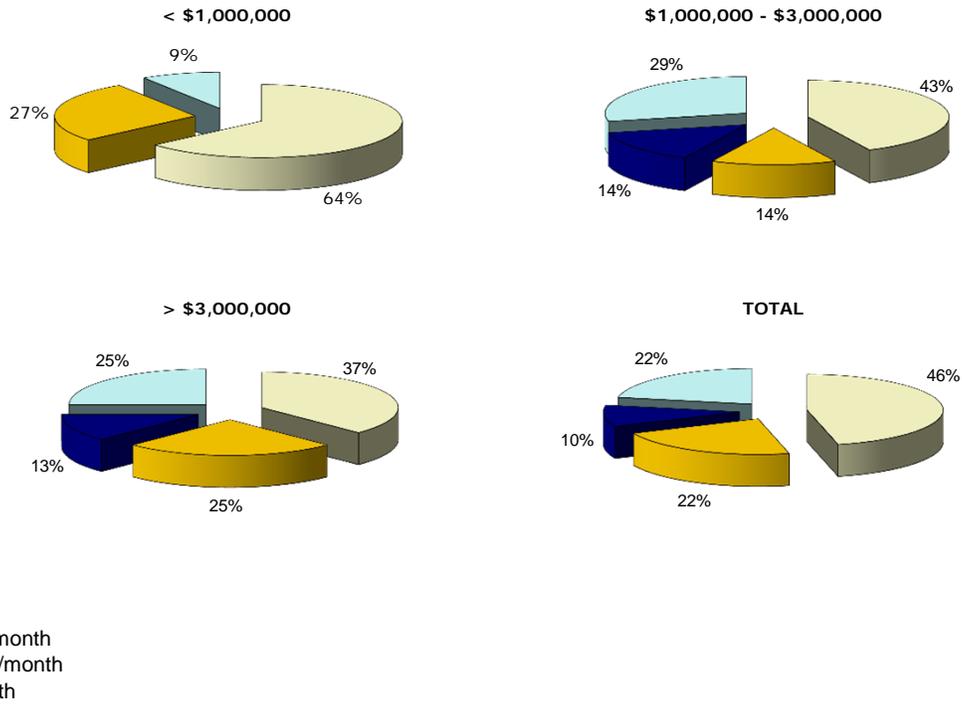
One-third (33%) of all respondents indicated they utilize cable services for their internet connection. Nearly one-half (46%) of respondents with annual surety premiums of less than \$1,000,000 utilize cable, while one-third (33%) of agencies with more than \$3,000,000 in annual surety premiums indicated they utilize a T-1, Bonded T-1's, or T-3's.

How much bandwidth do you receive from this provider?



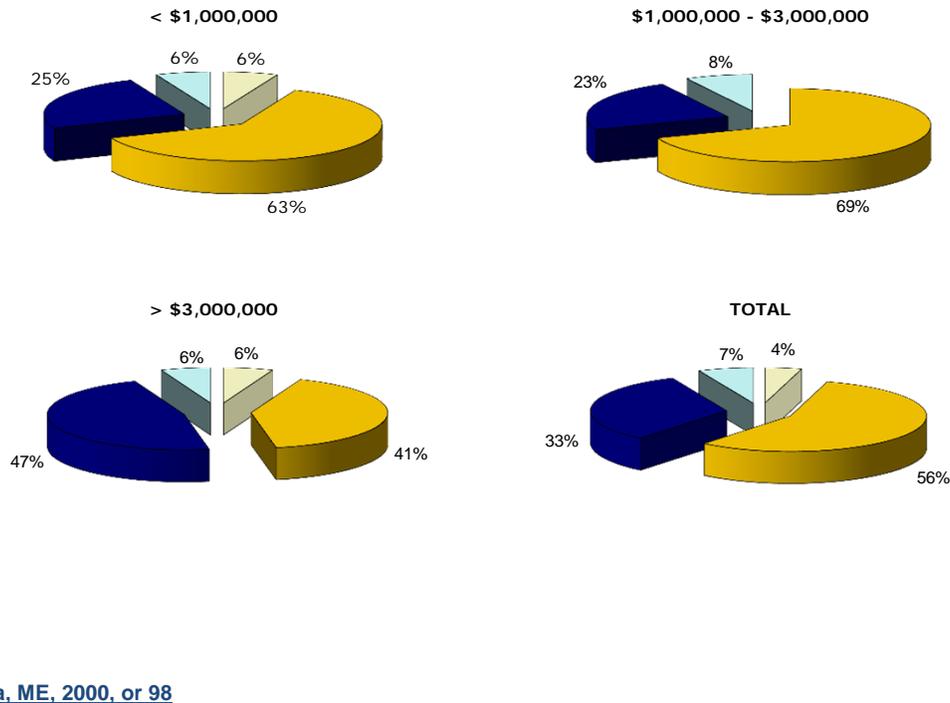
More than a third (41%) of respondents indicated they are receiving greater than 51 Mbps of bandwidth in their office. The majority (55%) of agencies with annual surety premiums between \$1,000,000 and \$3,000,000 indicated they are receiving more than 51 Mbps of bandwidth.

## How much do you pay per month for this internet service?



Nearly half (46%) of total respondents indicated they are paying less than \$500.00 per month for internet service. The majority (64%) of agencies with annual surety premiums of less than \$1,000,000 indicated they are paying less than \$500.00 per month.

## Which of the operating systems does the majority of your agency desktops and laptops use?



The majority (56%) of all respondents indicated they are using the Windows 7 operating system on most desktops and laptops at their agency. Nearly half (47%) of agencies with annual surety premiums of greater than \$3,000,000 indicated they are still using Windows XP.

Compared to the 2011 NASBP IT Survey, significantly more agencies, regardless of annual surety premiums, have upgraded to Windows 7 from Windows XP (formerly installed on 82% of the machines).

**What processes do you execute currently using technology (e.g. portal, company system, vendors system, B2B interface), excluding email or a secure messaging technology?**

Processes	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
Execution of bonds	11	14	19	44
Billing	8	13	17	38
Electronic reporting of bonds	6	10	18	34
Underwriting	8	7	13	28
Management and creation of POA	5	10	12	27
Reporting of management information	10	7	9	26
Electronic payment	10	3	6	19
Quote and issue for agents	6	3	5	14
Claims handling/processing	5	1	4	10

Most respondents indicated they are currently offering execution of bonds using technology. The next most offered service is billing.

**Please provide details on your previous answer.**

- "State transportation bonds are only executed through a vendor system. All other technology is either accessed manually or through email."
- "We use SurePath for bond execution, maintenance, and reports. We use Nexsure for accounting and billing."
- "We are a bond only agency."
- "We have a proprietary bond system and create most bonds in house from our own library of forms. The only usual bonds done on line with the company are ERISA w/ NGM and Employee Dishonesty w/ WSC. Everything else we do here. They are reported monthly to the company 2 companies by downloading new business to an Excel spreadsheet which they upload. All others are reported on paper."
- "We anticipate being set up on B2B with two carriers in the next few months."
- "Around 50% - 60% of our processes use technology."
- "Some of the products and services utilized include: Outlook, Sagattia, SurePath, and ImageRight."
- "We utilize Surety 2000, 1Step, and other surety portals."
- "We are currently using Erlon for agency bond issuance."

**What technologies and systems is your division/department currently using as part of transacting surety business?**

Technologies and Systems	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
Third party vendor	5	8	16	29
Company/agency portal	6	7	8	21
B to B upload or download - Proprietary	2	2	3	7
B to B upload or download - Using ACORD data standards	2	0	1	3

Respondents indicated the two technologies and systems they use most in their division/department to transact surety business are a third party vendor and company/agency portal.

**What type of mobile devices do you use at your organization?**

Remote Access Method	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
Smart phone	16	15	18	49
Laptop, Ultrabook®, Netbook	10	13	14	37
Tablet	7	6	16	29
We do not use any mobile devices.	1	1	2	4

Regardless of annual surety premiums, mobile devices including smart phones, laptops, Ultrabooks®, notebooks, and tablets are commonly used by all respondents. NASBP created a Tablet Computing Survey in 2012. The survey is available by visiting the link below.

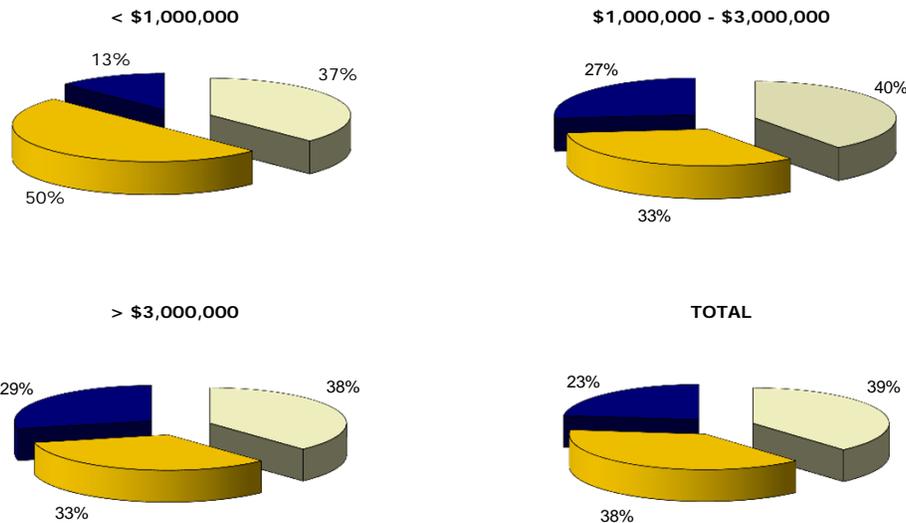
<http://www.nasbp.org/NASBP/Industry/SurveysandData/TabletComputingSurvey/>

What type of [smart phone\(s\)](#) and [tablet\(s\)](#) are used within your organization?

Smartphones/Tablets	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
Apple Phone	12	11	17	40
Apple Tablet	8	5	14	27
Google Android-based Phone	9	6	7	22
Blackberry Phone	4	8	7	19
Google Android-based Tablet	2	1	2	5
Microsoft Phone	1	0	1	2
Microsoft Tablet	0	0	1	1

Respondents indicated they use a variety of smart phones and tablets at their agency. Apple-branded products led the way. The Apple iPhone products were selected as the most common mobile device across all three levels of annual surety premiums. The Apple iPad products were also very popular across all three levels of annual surety premiums.

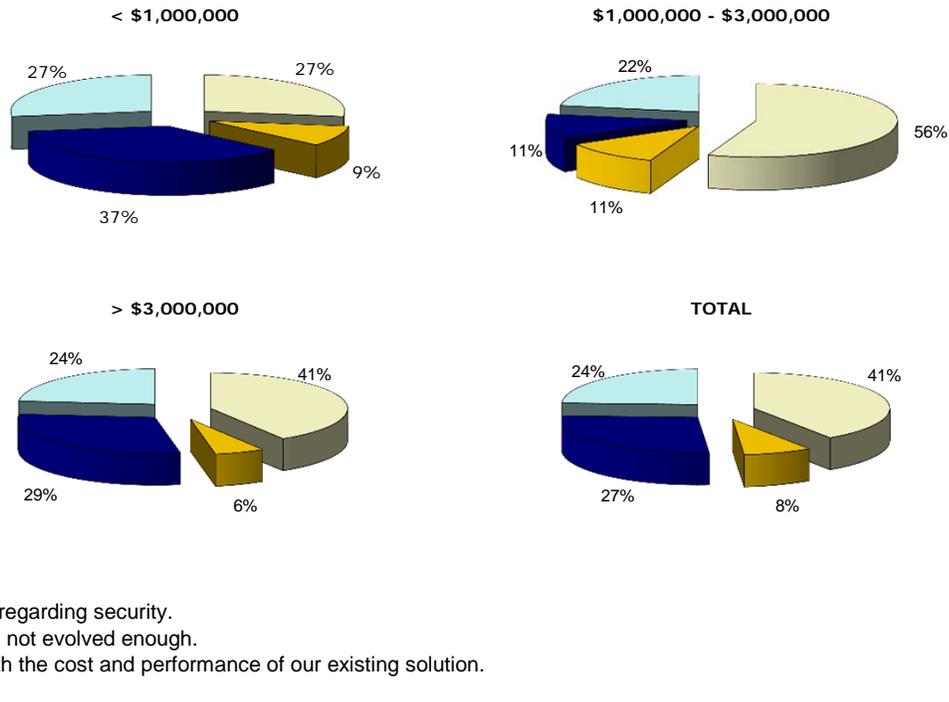
How comfortable are you with placing your data in the [cloud](#)?



- very comfortable or comfortable
- undecided
- very uncomfortable or uncomfortable

There is a correlation between agencies' annual surety premiums and their level of comfort placing data in the cloud. The larger the annual surety premiums, the less comfortable the agency feels placing their data in the cloud. Overall, the respondents indicated they were "very comfortable or comfortable" by a very slim margin (1%) over "undecided."

## What is your greatest concern placing your data in the cloud?



The greatest concern placing data in the cloud overall among respondents is security. More than half (56%) of respondents with annual surety premiums between \$1,000,000 and \$3,000,000 indicated security as their greatest concern.

Please provide additional details including which cloud services used, approximate cost, and how you are using them.

- "We use Salesforce.com, share files, and FTP using the cloud."
- "We are owned by a bank and have severe information and privacy acts we have to abide by that apply not only to insurance companies/agencies but that are applicable to banking as well. Our security threshold is guarded tightly."
- "The use of the cloud is being explored and any decisions will be made through compliance and IT corporately."
- "We utilize AMS 360 online."
- "All of our agency management systems (client data) is on cloud services."
- "We use Dropbox for all secure client files."

## Are you using any of the following IT products and services at your agency?

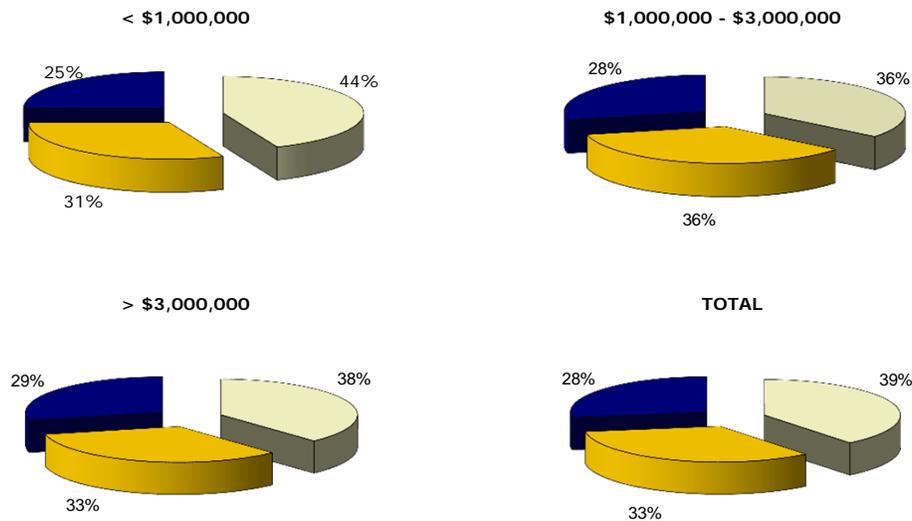
IT Products and Services	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
<a href="#">multi-monitor display</a>	11	13	14	38
<a href="#">online meeting tools</a>	8	9	13	30
<a href="#">voice over IP or hosted VoIP</a>	7	7	8	22
<a href="#">electronic collaboration tools</a>	3	6	13	22
<a href="#">instange messaging</a>	8	4	9	21
<a href="#">bluetooth headsets</a>	2	4	11	17
<a href="#">global positioning system</a>	4	6	6	16
<a href="#">mobile router</a>	2	4	4	10

The most commonly implemented IT product or service at agencies, regardless of annual surety premiums, is multi-monitor display.

Compared to the 2011 NASBP IT Survey, respondents indicated multi-monitor display, bluetooth headsets, and online meeting tools as the most common IT products and services implemented at their agencies.

## Email and Remote Access

Does your agency require any added [email encryption](#) measures to enhance privacy when sending confidential information?

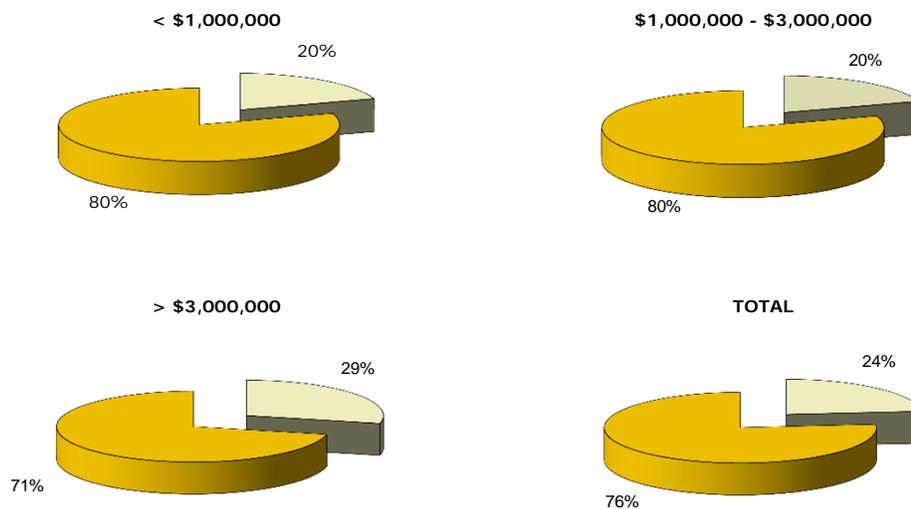


- Yes – Personnel are required to use email encryption when transmitting confidential information.
- No – Added encryption is not taken with email or attachments.
- We are in the process of researching and/or implementing an email encryption solution.

**One-third (33%) of all respondents indicated they have not added encryption to their email or attachments.**

*Compared to the 2011 NASBP IT Survey, fewer agencies are taking measures to encrypt their email and attachments. Almost half (45%) of respondents indicated they were required to use email encryption when transmitting confidential information in 2011. More than one-third (34%) of respondents indicated they were in the process of researching an email encryption solution at their agency at the time.*

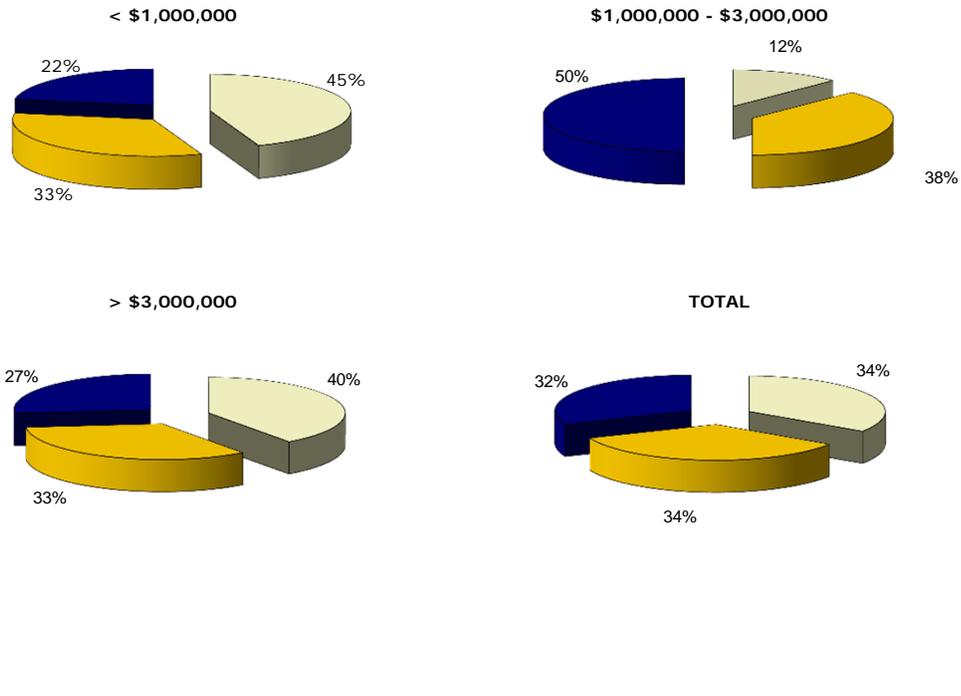
Do you have difficulty transferring large files to business partners?



- Yes
- No

**More than three-quarters (76%) of respondents do not have difficulty transferring large files to business partners.**

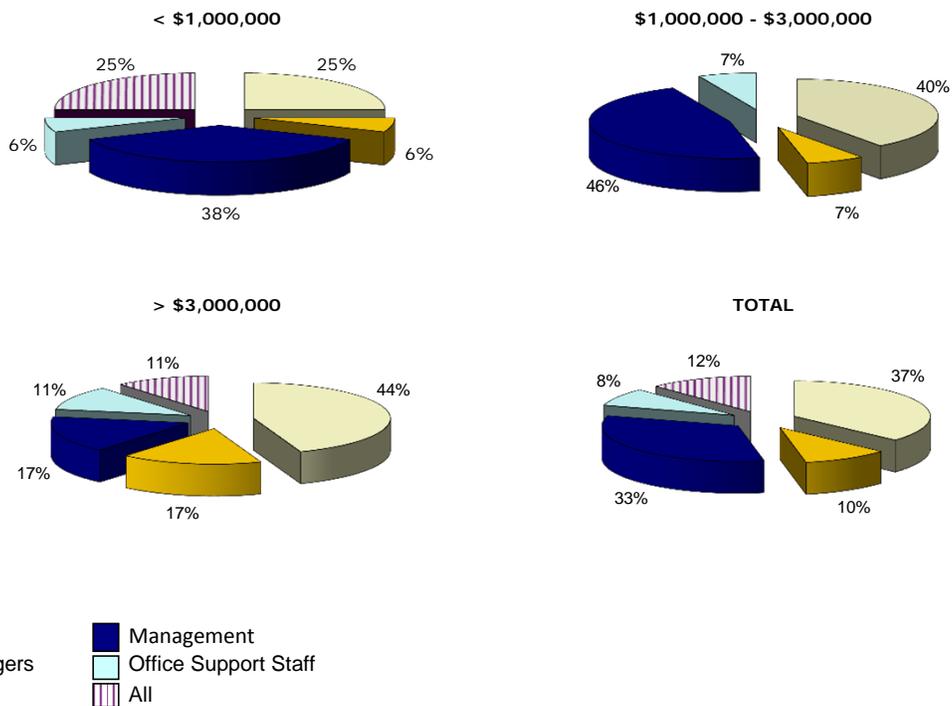
## How large of an attachment can you receive with incoming email?



Overall, file size limitations on incoming email attachments were divided equally among respondents with nearly one-third indicating one of each selection: (less than 10 MB, 11-29 MB, and more than 30 MB.)

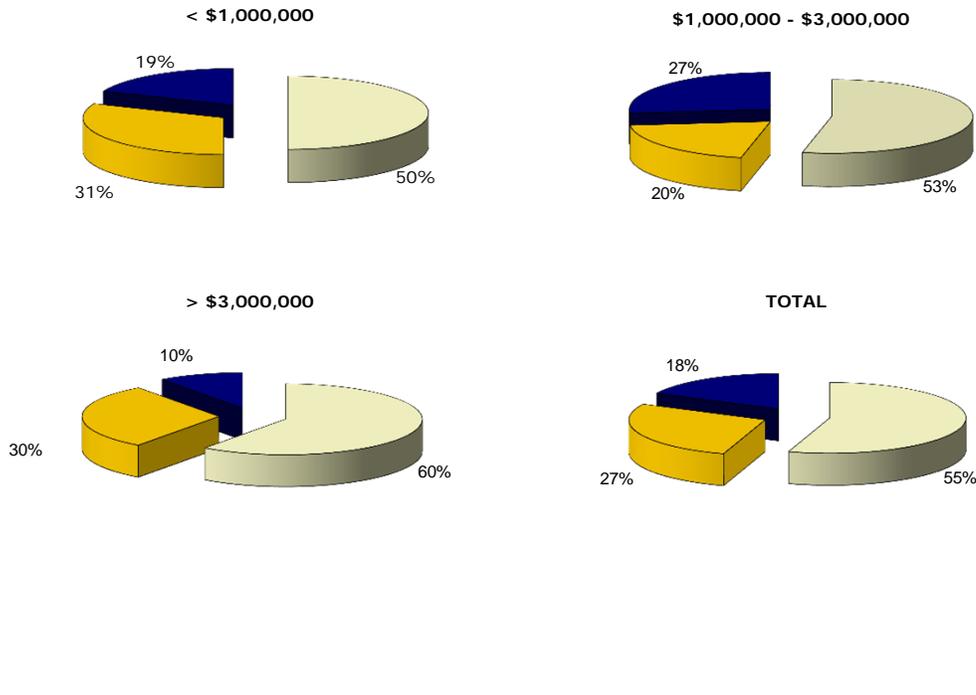
NASBP raised the size of attachments respondents could select in this survey. Compared to the 2011 NASBP IT Survey, the majority of respondents indicated their incoming email attachments were greater than 10 megs.

## Which staff members are most likely to access their system remotely?



There is a correlation between agencies' annual surety premiums and Producers accessing their system remotely. The greater the annual surety premiums, the more likely Producers will access their system remotely. One-third (33%) of all respondents indicated Management is also likely to access their system remotely.

What percentage of your employees are **telecommuting** and have a dedicated work space outside of the office at least one day a week?

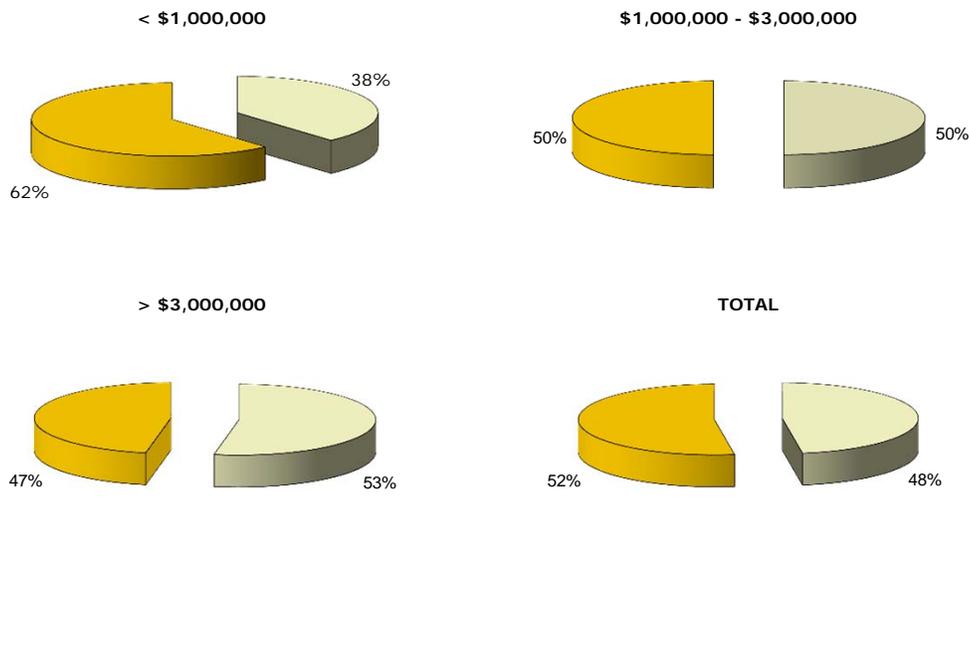


Nearly half (45%) of respondents indicated that their employees are telecommuting with 18% reporting that more than one-fifth or more of their employees telecommute at least one day a week.

Compared to the 2011 NASBP IT Survey, the percentage of employees telecommuting was 55%, but only 9% reported that one-fifth or more of their employees telecommuted at least one day a week.

**Communications, Web Site, and Social Media**

Do you have any form of "**cyber liability**" insurance coverage?

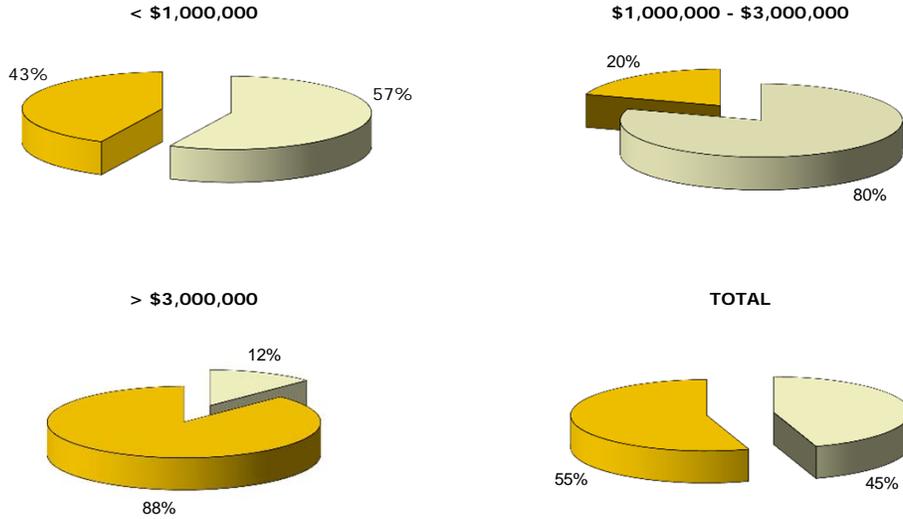


There is a correlation between agencies' annual surety premiums and agencies having any form of "cyber liability" insurance coverage. The greater the annual surety premiums, the more likely the agency will have a form of coverage. Overall, slightly more agencies (52%) did not have this insurance.

**If yes, please provide details on this policy.**

- "We have a \$1MM Cyber Liability Policy through Scottsdale with a \$5k deductible."
- "CNA provides our policy."
- "We have small coverage under BOP."
- "Our agency has an extensive policy covering notification, etc."
- "We have Very high limits and broad coverage."

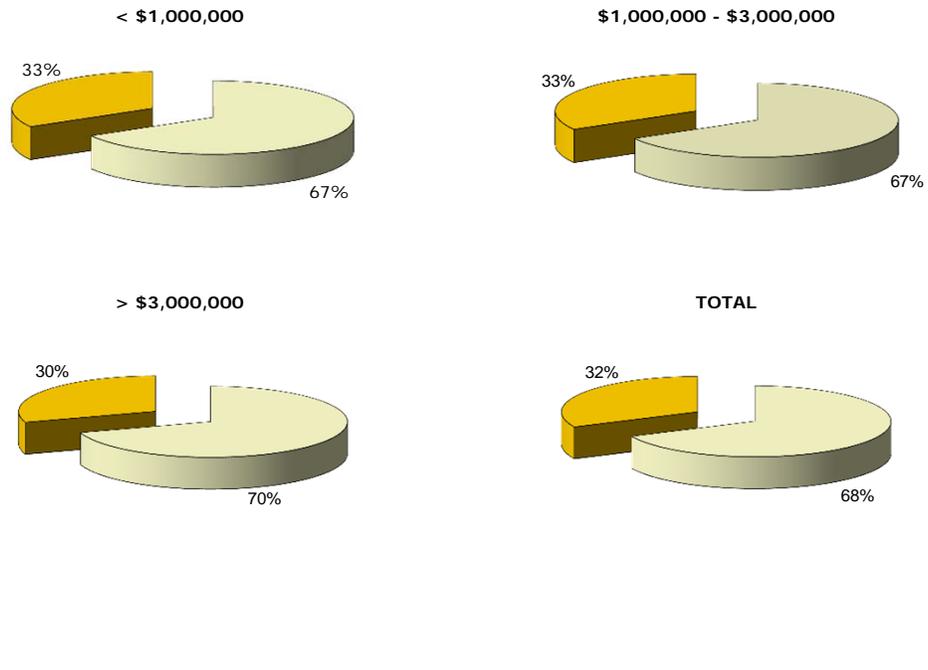
**If no, do you plan on obtaining a policy?**



■ Yes  
■ No

Of respondents that indicated they do not have any type of "cyber liability" policy, more than three-quarters (80%) with annual surety premiums of \$1,000,000 to \$3,000,000 indicated they do plan on obtaining one. Respondents with more than \$3,000,000 in annual surety premiums overwhelmingly (88%) said they do not plan on obtaining a policy.

**Does anyone at your agency utilize the password-protected section of NASBP and/or [NASBP SuretyConnect](#)?**



**More than two-thirds (68%) of respondents are utilizing NASBP SuretyConnect and/or the NASBP password-protected section of the web site.**

*Compared to the 2011 NASBP IT Survey, usage of NASBP SuretyConnect has increased significantly (45% in 2011 vs. 68% in 2013).*

**If no, why not?**

**Respondents that indicated they do not use NASBP SuretyConnect and/or the NASBP password-protected section of the web site indicated that they do not have enough time. One response stated that they are "not familiar with SuretyConnect."**

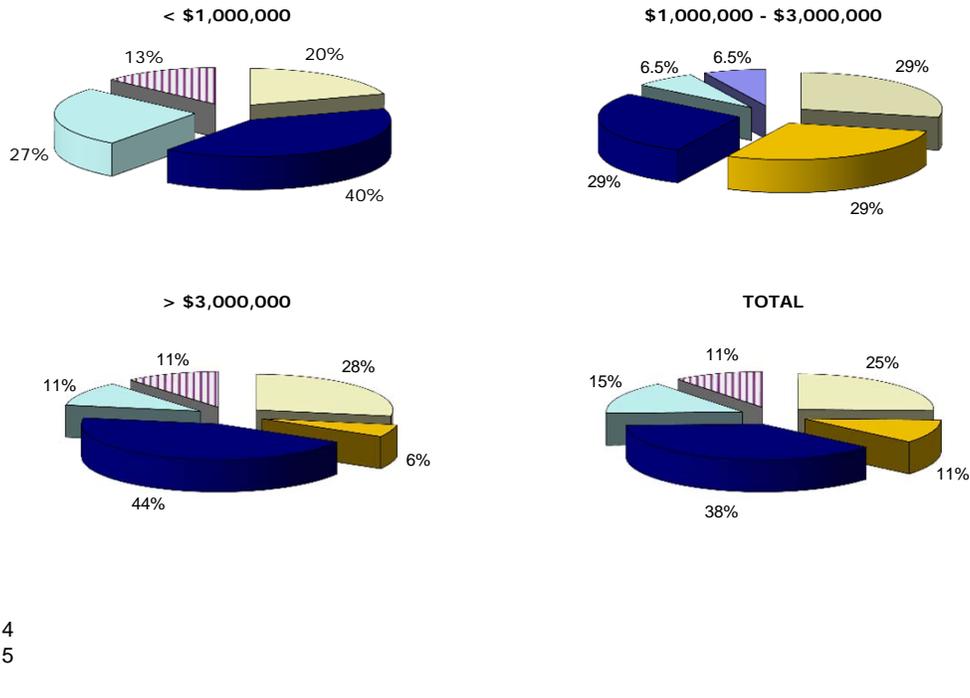
**Which of these [social networks](#) does your organization have a presence?**

Social Networks	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
LinkedIn®	10	10	16	36
Facebook®	8	4	12	24
Twitter®	4	2	7	13
Google Plus®	1		2	3
Yelp®	1	2		3

**The most common social network agencies have a presence on, regardless of annual surety premiums, is LinkedIn®.**

*Compared to the 2011 NASBP IT Survey, the use of social media has increased at agencies, especially the use of Facebook. (16 in 2011 vs. 24 in 2013)*

**On a scale of 1-5, how comfortable are you using social media at your organization?**



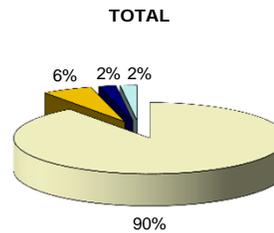
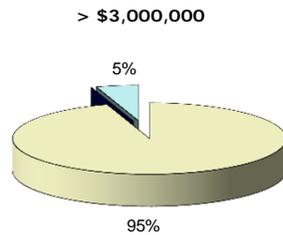
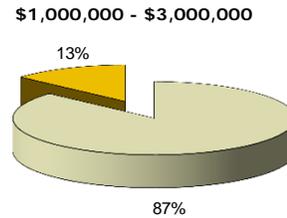
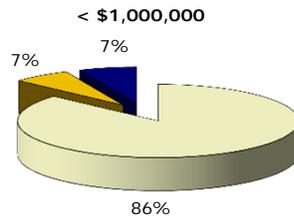
The survey results indicate more than one-third (38%) of all agencies have a moderate (3/5) level of comfort using social media. One-quarter (25%) of respondents indicated they are very uncomfortable (1/5) using social media at their agency.

**How does your organization use these social media tools?**

Use of Social Media Tools	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
Networking/Relationships	12	7	15	34
Marketing	8	6	12	26
Message Boards/Forums	7	4	5	16
Employment	5	1	8	14
News	5	2	5	12
Intranet - Staff Communication	4	0	2	6
Training	1	0	2	3

According to respondents, the most utilized feature of social media tools is networking/relationships. The marketing feature was also used by the majority of those that responded to this question.

## What is the primary web browser used?



Most of the respondents (90%) indicated Internet Explorer was used as the primary web browser at their agency.

## Can customers actually apply for, purchase, or pay for bonds via your web site?

Web Site Functionality	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
No	12	10	13	35
Apply only	3	2	7	12
Purchase		2	0	2

The majority of respondents indicated that customers cannot apply for, purchase, or pay for bonds via their web site.

## Additional Notes regarding ability to apply for, purchase, or pay for bonds via your web site

### If you selected "Apply", please provide details below.

- "We have approximately 50 items that folks can apply for online. The system fully underwrites and offers terms from 5-7 surety companies based on the parameters of the credit report and/or application information."
- "Bond form packet download and email when complete."
- "Complete application that is emailed to us."
- "Online forms submit for underwriting."
- "Online applications are transmitted as an email to the producer."

### If you selected "Purchase", please provide details below.

- "Online forms either underwrite or allow purchase of instant issue type bonds."
- "Apply & buy only for ERISA & Business Services Bonds. All others apply only."
- "Select types of bonds can be purchased via credit card through a corporate interface with Liberty's Affinity product."
- "The quote(s) provided allow the user to purchase and receive a executed copy of their bond upon completion of the transaction."

### If you selected "Pay", please provide details below.

- "You can purchase bond quotes in real-time, pay open invoices, or make a generic payment through a secure portal via ACH or credit cards."
- "We have included a pay form on our web site."

## What types of self service do you provide to your bond principals?

Self Service Provided	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
request or receive marketing materials online	2	4	5	15
submit financial statements	6	3	5	14
provide work on hand information	3	3	4	10
see book of business online	3	3	3	9
manage renewals online	3	2	4	9
verify bond validity		2	4	6
review up to date A/R & payment data	4		1	5
execute a bond - Bond forms only	2	2	1	5
execute a bond - Bonds with POA	2	3		5
provide real time quote and issue	2	1	1	4
pay online by credit card or other means	1	1	1	3

The most common self services provided to bond principals, according to respondents, include materials online and the ability to submit financial statements.

## Which technologies have you integrated with your organizations web site?

Technologies integrated	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
social networking integration	4	2	10	16
allow electronic interaction for form/application submission	6	3	5	14
<a href="#">Google Maps®</a>	4	2	6	12
bond processing system	2	4	2	8
<a href="#">web services</a>	3	2	1	6
mobile applications	1	1	4	6
database infrastructure	2		4	6
provide bond execution functionality	1	2	2	5
video/audio recordings	1	2	2	5
<a href="#">rss feeds</a>	1	1	2	4
<a href="#">blogs or wikis</a>	2	1		3
e-commerce	1		1	2

The technologies integrated most with respondents web sites include social networking integration, form/application submission, and Google Maps®.

## Agency Management

### Which agency management system do you use?

Agency Management System	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
AMS AFW/360®	5	7	6	18
None	3	4	4	11
Applied TAM®	3		4	7
NexSure	1	3		4
AMS Sagitta®			3	3
Applied Epic®	1		2	3
Applied WinTAM®		1	2	3
Applied DORIS®	1			1
Blair Business Systems: TABS®	1			1

The most common agency management system used was AMS AFW/360®. Eleven respondents indicated they do not use an agency management system.

## Which agency bond production system(s) do you use?

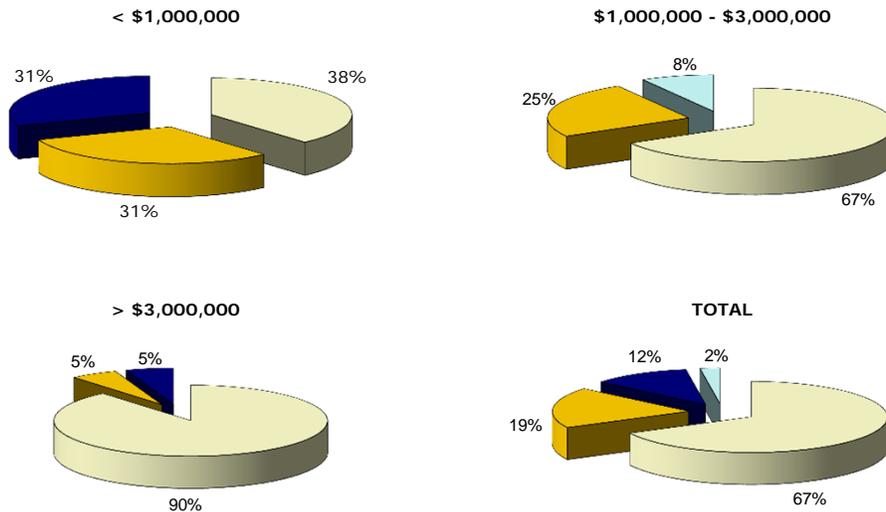
Bond Production System	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
InsureVision: Surepath®	2	4	7	13
iAutomate: Erlon®	2	5	5	12
proprietary system	3	3	3	9
None	5	1	3	9
Vertifore: AMS360®	3	1	2	6
Surety Company System	2	2	1	5
Blair Business Systems: TABS®	1			1
BondPro®			1	1
Paperwise®		1		1
Nexsure®		1		1

The top two agency bond production systems used by respondents are InsureVision: Surepath® and iAutomate: Erlon®. Nine respondents indicated they have a proprietary system and another nine indicated they do not have a bond production system.

Please provide additional details on your last answer.

- "We have customized AMS360 and a proprietary system in our office."
- "We perform it all manually."
- "InsureVision: PA Turnpike Commission bonds only. Proprietary system: PA Dept of Transportation bonds."
- "Proprietary system is Windows based - MS Access"
- "I don't think AMS 360 has a specific Bond production system"
- "We are currently working with Vertifore on the AMS360 system."

Regarding the primary bond production system checked above, what percentage of bonds are prepared or populated using that system?



- almost all bonds (> 90%)
- A majority of bonds (50 < 90%)
- A minority of bonds (20 < 50%)
- Very few bonds (< 20%)

More than two-thirds (67%) of respondents indicated almost all bonds are prepared or populated using their primary bond production system.

## What processes would you like to see added to your bond processing system?

- "We hope to see integration ability with carrier systems."
- "We would like an agency management component dedicated to bonds."
- "I hope to see more room for comments and detail at the client folder level."
- "We'd like the ability to easily upload to the surety company system from our proprietary system."

## If your agency uses surety-enabled bond systems, please check the systems used most.

Surety-Enabled Bond Systems	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
CNA bONdLINE™	7	9	10	26
Travelers BondExpress®	3	9	7	19
Liberty Mutual Surety Solutions®	5	8	5	18
Merchants™	5	5	4	14
Zurich Surety Express™	4	5	3	12
Hartford 1Step Surety®	2	5	4	11
Safeco Online® (now Liberty Mutual Surety Online®)	3	3	4	10
Suretec Surequick®	3	3	3	9
HCC Surety Online (HCCSO)®	2	2	4	8
Insco®	2	1	5	8
Old Republic Surety Company®	3	3	1	7
Great American mySurety®	2	1	3	6
Capitol Insurance Companies - Capitol Express®	1	1	3	5
Other	1	3	1	5
United Fire ufgBonds®	2			2
Hanover The Agency Place (TAP)®			2	2
Selective eSurety®			1	1

Of the respondents that use a surety-enabled bond system, the systems used most include: CNA bONdLINE™, Travelers BondExpress®, and Liberty Mutual Surety Solutions®.

Those that selected, "Other" noted the following systems: Cincinnati CinciBond, Western National, Nexsure, NGM/MSA Group Main Street Station Bonds, and Travelers Click.

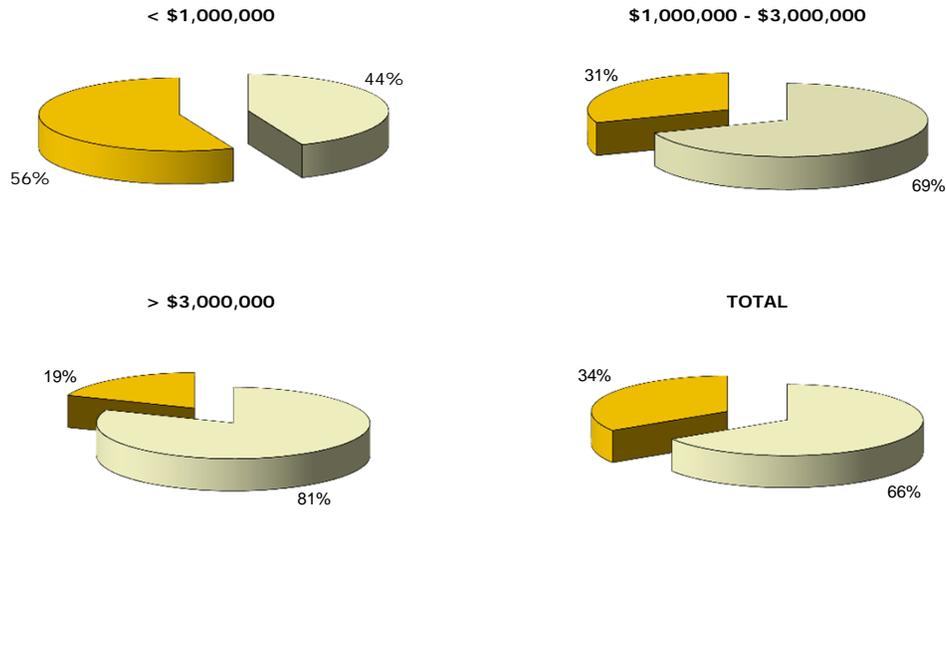
## Does your agency participate/use any of the following bond-related systems?

Bond-Related Systems	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
Surety 2000®	4	9	15	28
BidExpress®	2	1	6	9
Pennsylvania ECMS	1	1	2	4
Pennsylvania Turnpike System	1	1	1	3
Maryland Electronic Commerce			1	1
New Jersey Transit Authority			1	1
Other		1		1

Respondents that use bond-related systems indicated overwhelmingly that they use Surety 2000®.

The respondent that selected, "Other" noted the following system: Oklahoma DOT

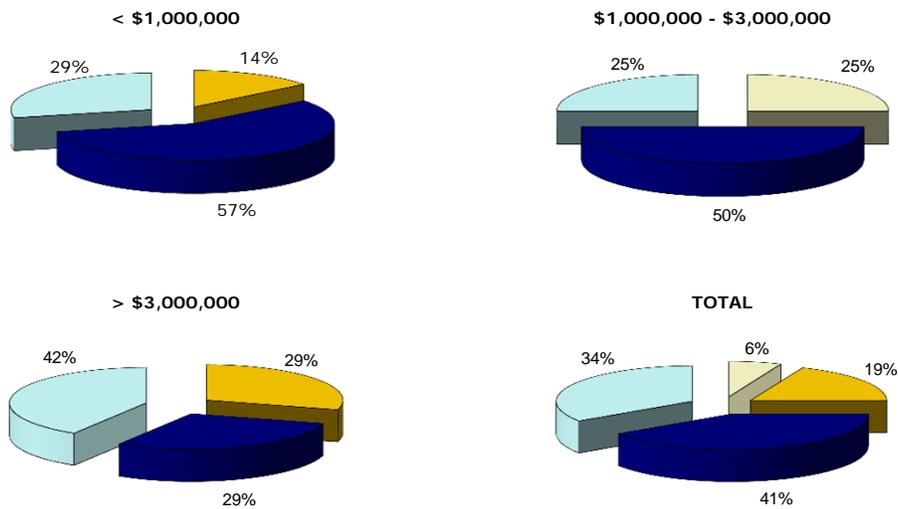
## Has your agency been involved in processing an electronic surety transaction?



■ Yes  
■ No

Two-thirds of respondents indicated they have been involved in processing an electronic surety transaction. A significant percentage (81%) of agencies with annual surety premiums of more than \$3,000,000 have processed an electronic surety transaction.

## If yes, about how many times in the last year?

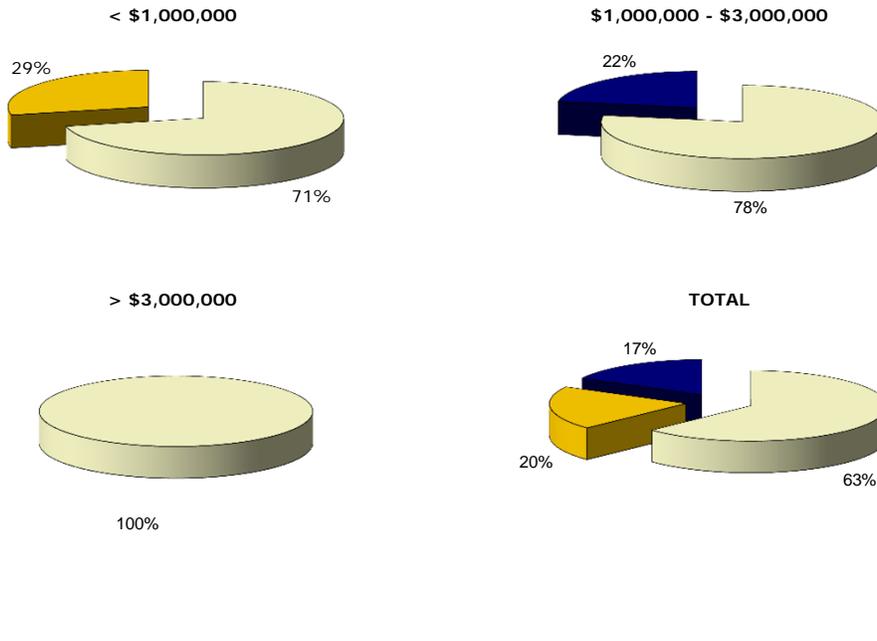


■ 1 to 4  
■ 5 to 19  
■ 20 to 99  
■ 100 or greater

Of those that have been involved in processing an electronic surety transaction, three-quarters of respondents (75%) have processed more than 20 electronic surety transactions in the last year.

*Compared to the 2011 NASBP IT Survey, this number has gone up significantly. (56%)*

**If yes, with how many different obligees?**



Of those that have been involved in processing an electronic surety transaction, the majority (63%) of respondents did so with fewer than five different obligees. All respondents with greater than \$3,000,000 in annual surety premiums indicated they have had fewer than 5 obligees.

**What processes do you expect to execute using technology within the next 12 to 18 months, excluding email or a secure messaging technology?**

Process	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
Execution of bonds	11	12	14	37
Electronic reporting of bonds	10	13	12	35
Billing	8	12	11	31
Management and creation of POA	9	10	11	30
Underwriting	8	7	12	27
Reporting of management information	7	6	5	18
Quote and issue for agents	4	2	5	11
Electronic payment	6	2	2	10
Claims handling/processing	3		1	4

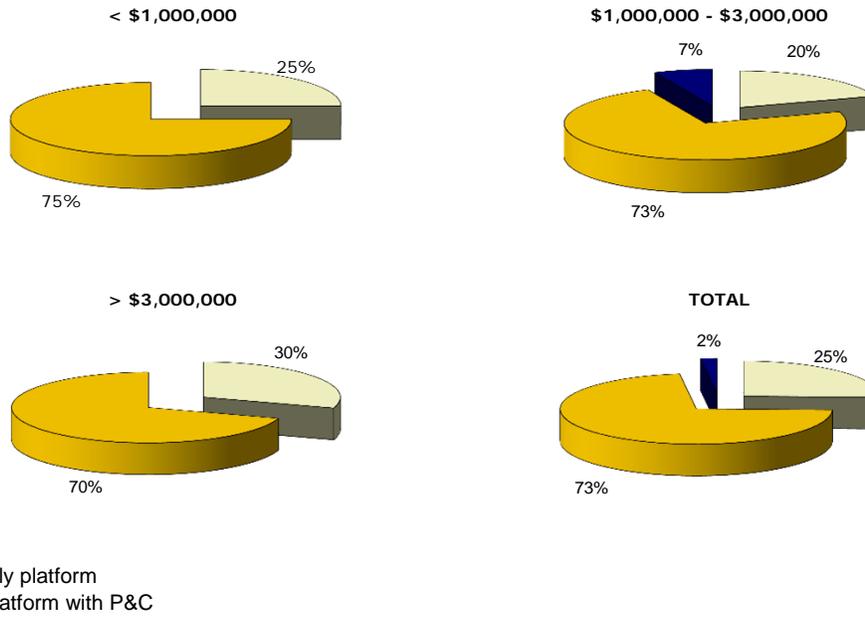
The top two processes respondents expected to execute using technology within the next 12-18 months were execution of bonds and electronic reporting of bonds. Additional notes stated, "We will be spending more than \$75,000 on our IT systems and technical integration this next 12 months." and "I believe these are options that will be available soon."

**What processes do you NOT expect to execute using technology within the next five years, excluding email or a secure messaging technology?**

Process	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
Claims handling/processing	6	8	10	24
Electronic payment		8	11	19
Quote and issue for agents	2	4	6	12
Reporting of management information	2	2	7	11
Underwriting	2	3	3	8
Billing	1	1	1	3
Management and creation of POA	1			1
Electronic reporting of bonds		1		1

The top two processes respondents expected NOT to execute using technology within the next five years were claims handling/processing and electronic payment.

### What kind of surety platform does your organization have for billing?

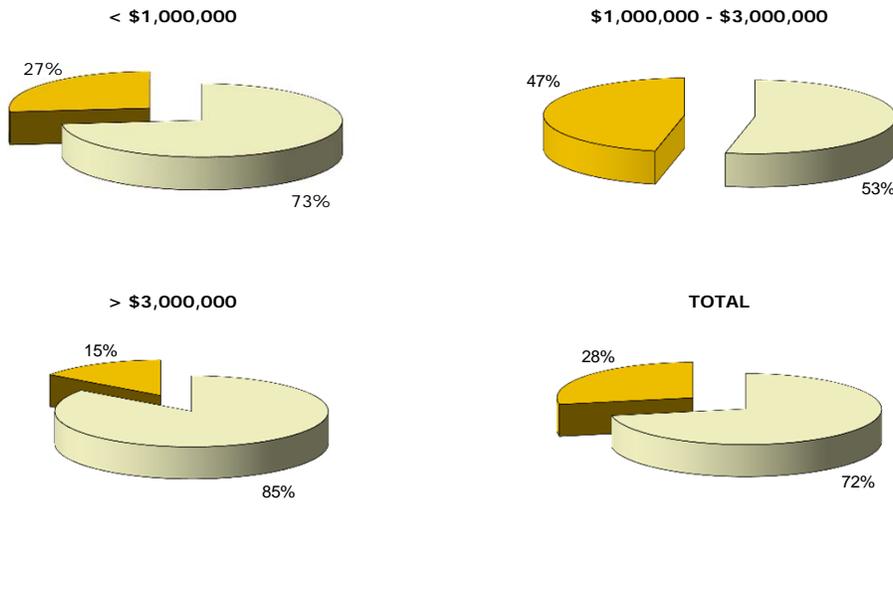


- dedicated surety only platform
- shared/combined platform with P&C
- other

Nearly three-quarters (73%) of respondents indicated their organization has a shared/combined platform with P&C for billing.

### Document Management

#### Do you use any document management system?



- Yes
- No

Nearly three-quarters (72%) of respondents indicated their agency uses a document management system.

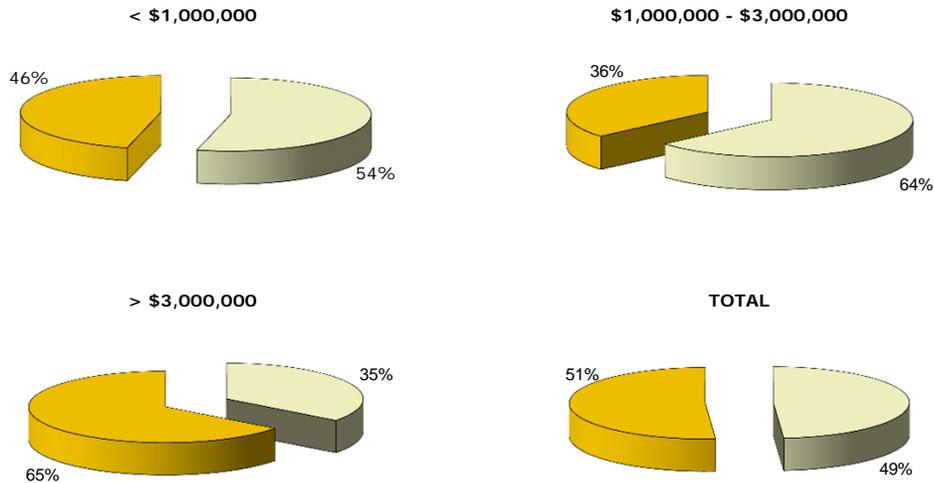
*Compared to the 2011 NASBP IT Survey, the percentage of respondents that indicated their agency uses a document management system has gone up. (49%)*

**If yes, for what internal documents do you use electronic filing?**

Internal Documents	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
account files	10	8	16	34
bond files	9	6	17	32
agency files	11	6	10	27
everything			2	2

Of those that use a document management system, the internal documents filed electronically include account files, bond files, and agency files.

**Is your document management system integrated with other systems?**



Yes  
 No

Of those that use a document management system, nearly half (49%) are integrated with other systems.

**If yes, Which systems are the document management system integrated with?**

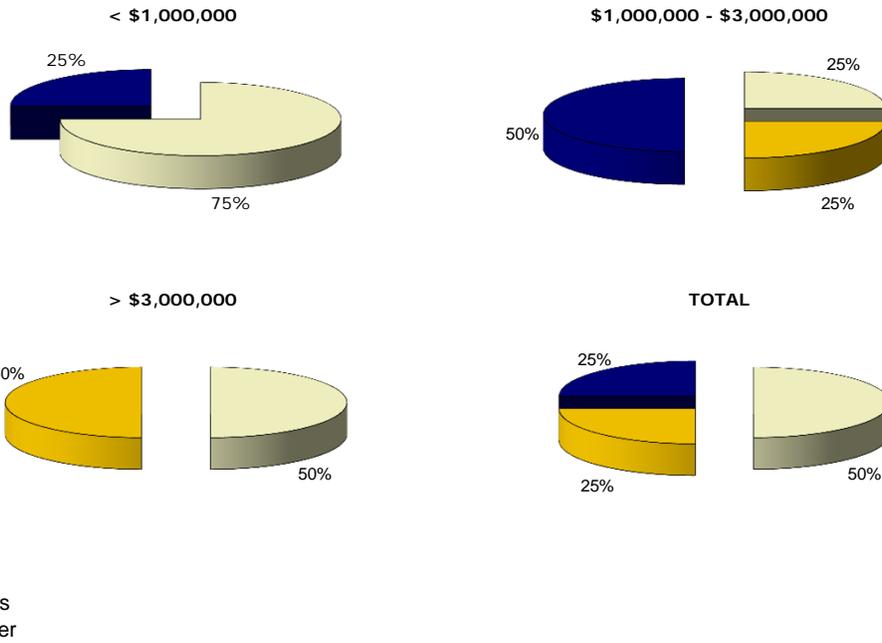
System	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
agency management system	6	6	5	17
accounting system	2	1	5	8
bond execution system	2	1	3	6
claims system	1	1	3	5

The most common system integrated with respondents document management system is the agency management system.

**If yes, Who is your vendor?**

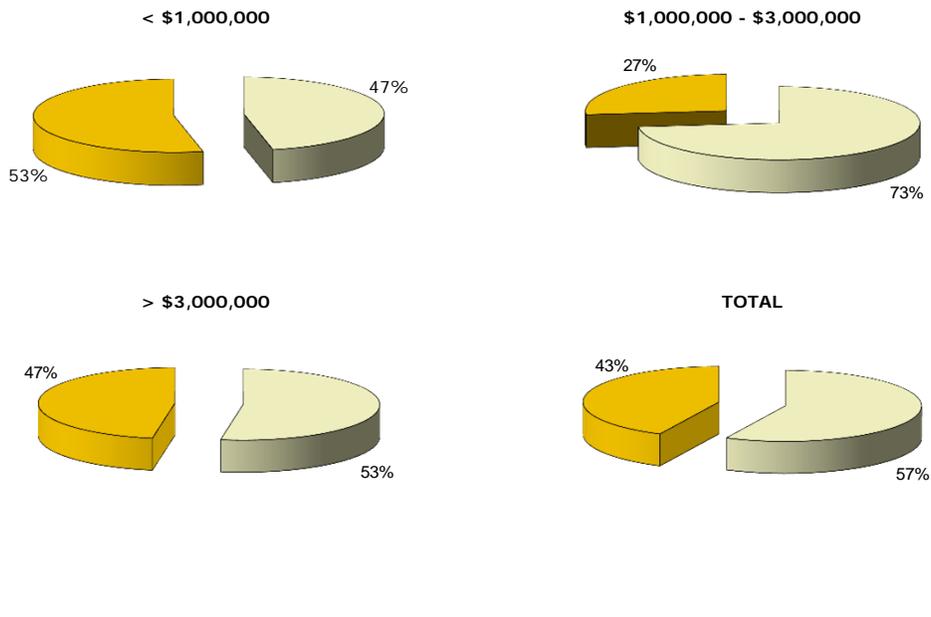
Responses included, "AMS, AMS360, Applied Systems, CBD Doc, CNG SAFE, Filenet / Encapture, Internal/Proprietary System, Microsoft, Nexsure, Paperport Paperwise, Sagita, and Vertafore ImageRight."

**If no, are you planning on using one?**



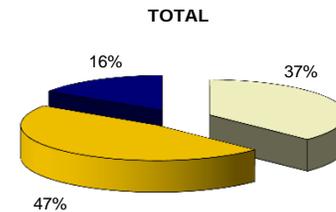
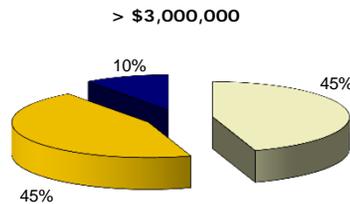
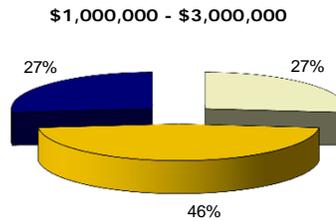
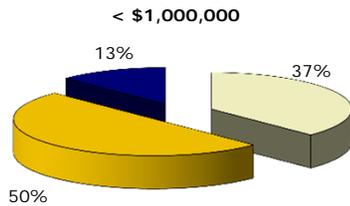
Of those that do not use a document management system, half (50%) do not plan on using one. Three-quarters (75%) of agents with annual surety premiums of less than \$1,000,000 do not plan on using one.

**Do you receive some of your paper-based (FedEx/UPS/USPS) mail electronically?**



More than half (57%) of the respondents indicated they receive some of their paper-based mail electronically. Nearly three-quarters (73%) of agencies with annual surety premiums of \$1,000,000 to \$3,000,000 receive some of their paper-based mail electronically.

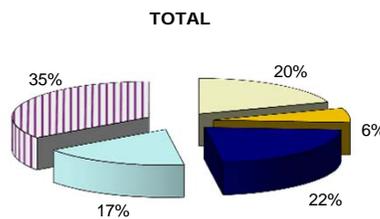
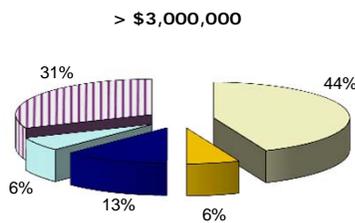
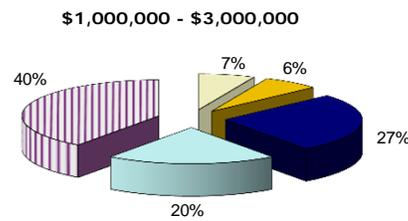
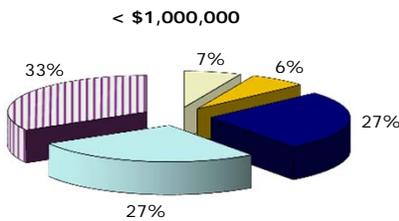
**Is your agency moving towards a paperless environment?**



- Yes - We are paperless.
- We are attempting to go paperless.
- No - We have no plans to go paperless.

Nearly half (47%) of respondents indicated they are attempting to go paperless. More than one-third (37%) are already paperless.

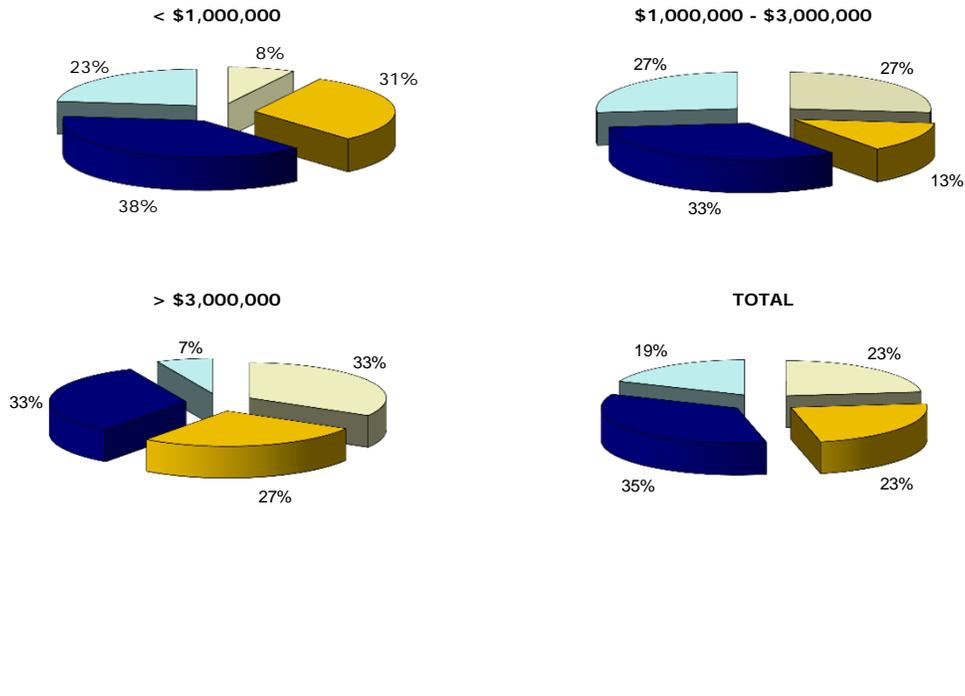
**On a scale of 1-5, How useful would it be if you were able to input data using ACORD standards for an industry form in one location, then import that data into other applications rather than re-keying it?**



- 1
- 2
- 3
- 4
- 5

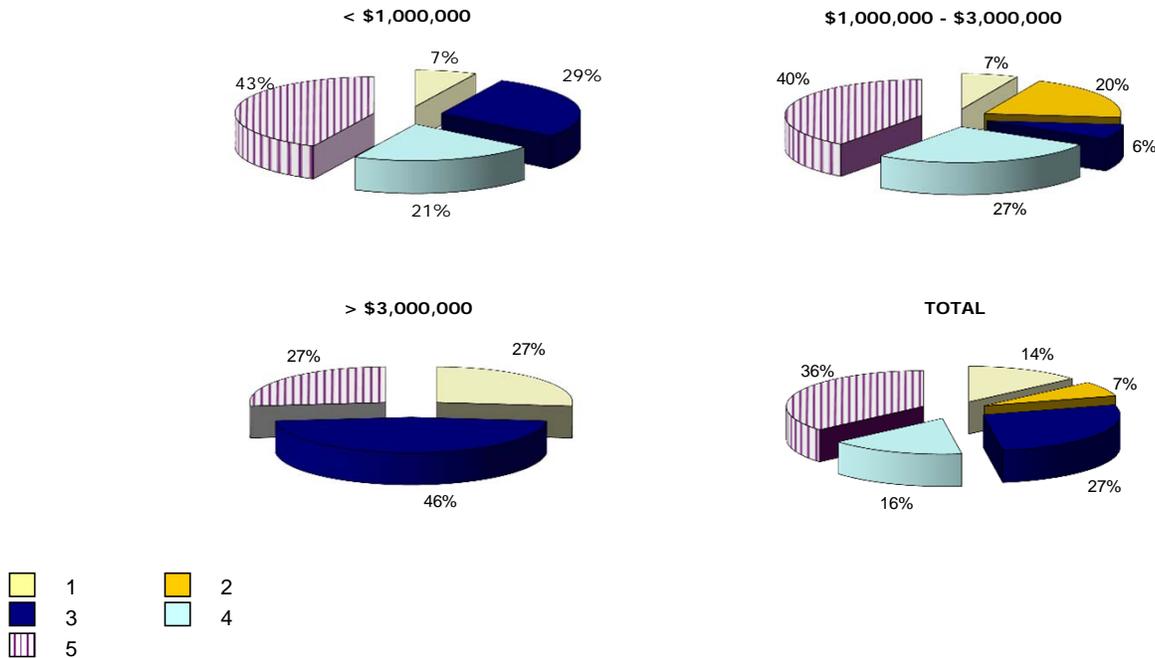
More than half (52%) of respondents indicated it would be useful (4/5) or very useful (5/5) to be able to input data using ACORD standards for an industry form in one location rather than re-keying it into other applications.

**Approximately How much time per month would this save you?**



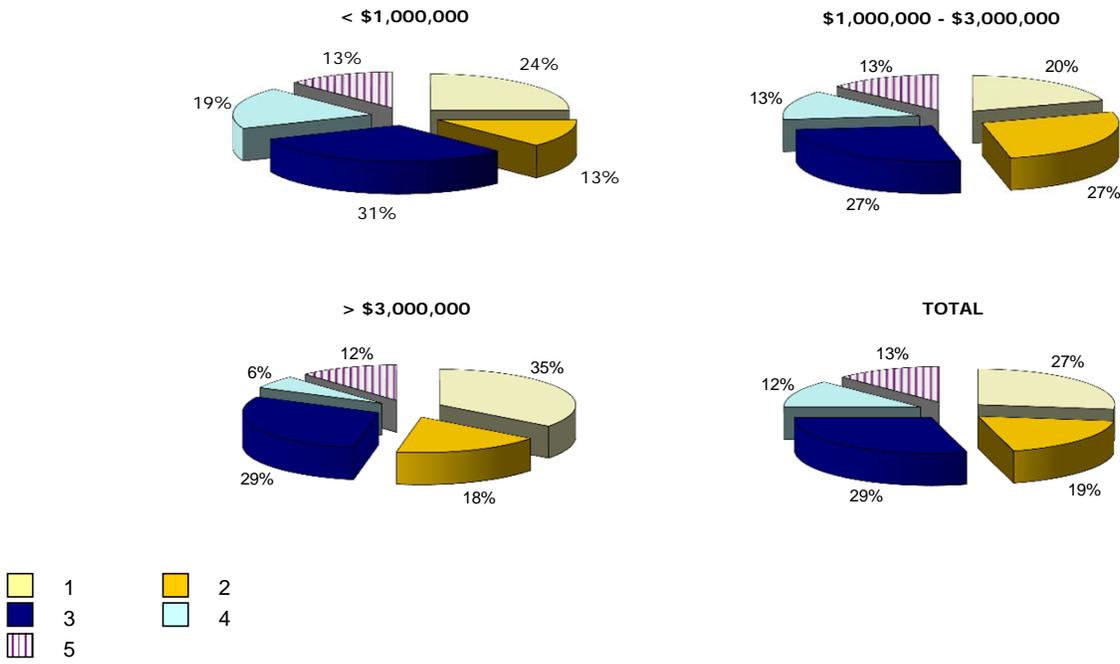
More than one-third (35%) of respondents indicated it would save them 6-10 hours of time per month. Nearly one-fifth (19%) indicated it would save them 10-20 hours per month.

**On a scale of 1-5, How useful would it be if your bond processing product or service offered the ability to import these documents easily as well as export the data into other products and services?**



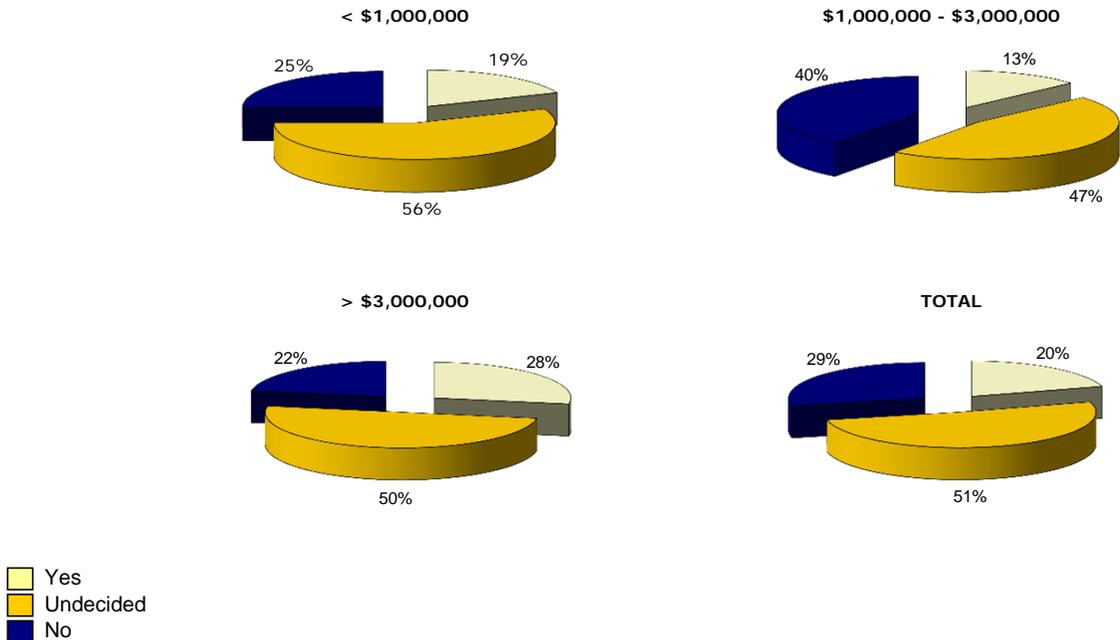
More than one-third (36%) of respondents indicated it would be very useful (5/5) if their bond processing product or service offered the ability to import and export data into other products or services seamlessly.

**On a scale of 1-5, how familiar are you with ACORD and what they provide our industry?**



Nearly half (46%) of respondents are very unfamiliar (1/5) or unfamiliar (2/5) with ACORD and what they provide our industry. More than one-third (35%) of respondents with annual surety premiums of more than \$3,000,000 indicate they are very unfamiliar (1/5) with ACORD.

**Would your agency be willing to pay more for a bond processing system that used ACORD-standard fields, eliminating the need to re-key data in forms like the Contractor Questionnaire?**



The majority (51%) of respondents are undecided when asked if they would pay more for a bond processing system that used ACORD-standard fields, eliminating the need to re-key data in forms.

## Credit Reporting

Which credit reporting or risk measurement tools does your agency use for business reporting?

Credit and Risk Tool	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
None	8	7	5	20
Dun & Bradstreet®	2	8	6	16
Experian®			5	5
TransUnion®		1	1	2
Equifax®	1	1		2
Moody's KMV®		1		1

Most respondents indicated they do not use a credit reporting or risk measurement tool for business reporting. Those that do selected Dun & Bradstreet® as the most used tool at agencies.

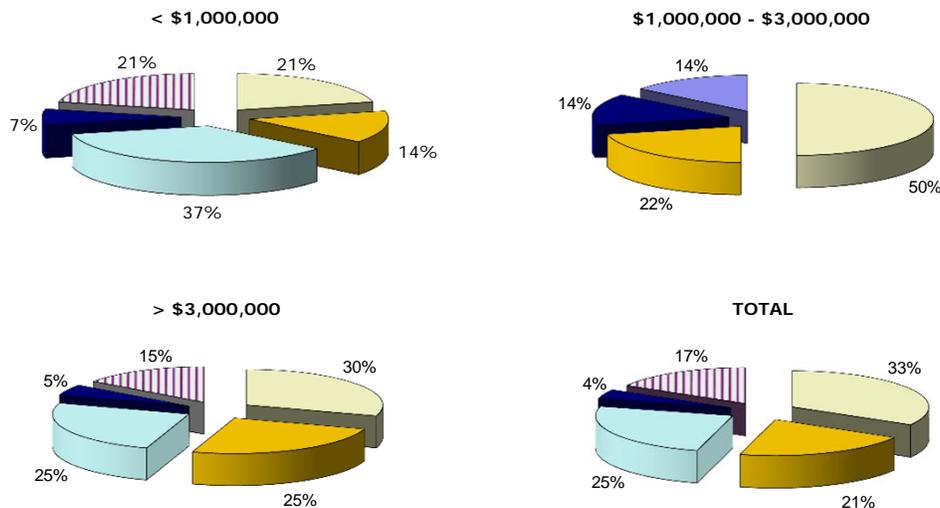
Which credit reporting or risk measurement tools does your agency use for personal reporting?

Credit and Risk Tool	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	Total
None	8	6	6	20
Experian®	1	3	7	11
Dun & Bradstreet®	1	3	4	8
Equifax®		2	2	4
TransUnion®		1	1	2

Most respondents indicated they do not use a credit reporting or risk measurement tool for personal reporting. Those that do selected Experian® as the most used tool at agencies.

## Emerging Technology

Where do you learn the most about new technology to use at your agency?



■ Colleagues      ■ NASBP  
■ Social Media      ■ Web Sites & Magazines  
 Other

One-third (33%) of respondents indicated they learn about new technology to use at their agency from colleagues. One-quarter (25%) learn about new technology from web sites and magazines.

**Do you have any additional input related to IT that you would like to provide or share?**

- *"We would like to find a database system that we could use as a replacement for our current system but where we would still be able to use our current library of bonds created in MS Word. We have never found one that is specifically designed for a surety bond agency."*
- *"We need a management system that recognizes and processes bond transactions in the industry language and processes them automatically."*

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**Does your agency regularly use any other web sites or applications that you consider important to your bond operations?**

- *"Adobe Writer & PDF Fill"*
- *"DOT websites"*
- *"Many obligee websites"*

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**NASBP welcomes your feedback or questions. Please contact Dave Golden, Director of Technology at [dgolden@nasbp.org](mailto:dgolden@nasbp.org) if you have suggestions for the next NASBP IT Survey. For more information on joining the NASBP Automation and Technology Committee, contact Dasha Brock, Membership Manager, at [dbrock@nasbp.org](mailto:dbrock@nasbp.org).**

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## Technical Terms

### ACORD

ACORD, the Association for Cooperative Operations Research and Development, is the insurance industry's nonprofit standards developer, a resource for information about object technology, EDI, XML and electronic commerce in the United States and abroad.

<http://en.wikipedia.org/wiki/ACORD>

### Attachment (email)

An email attachment is a computer file sent along with an email message. One or more files can be attached to any email message, and be sent along with it to the recipient. This is typically used as a simple method to share documents and images.

[http://en.wikipedia.org/wiki/Email\\_attachment](http://en.wikipedia.org/wiki/Email_attachment)

### Bandwidth

bandwidth refers to various bit-rate measures, representing the available or consumed data communication resources expressed in bits per second or multiples of it.

[http://en.wikipedia.org/wiki/Internet\\_bandwidth](http://en.wikipedia.org/wiki/Internet_bandwidth)

### Blog

A blog (a portmanteau of the term web log) is a discussion or informational site published on the World Wide Web and consisting of discrete entries ("posts") typically displayed in reverse chronological order (the most recent post appears first).

<http://en.wikipedia.org/wiki/Blog>

### Bluetooth headsets

Bluetooth devices are widely used for short-range voice transmission. A very common application is a hands-free Bluetooth earpiece for a phone which may be in a user's pocket.

[http://en.wikipedia.org/wiki/Bluetooth\\_headset#Bluetooth\\_wireless\\_headsets](http://en.wikipedia.org/wiki/Bluetooth_headset#Bluetooth_wireless_headsets)

### Cable internet connection

Cable internet or cable modem access provides Internet access via hybrid fiber coaxial wiring originally developed to carry television signals.

[http://en.wikipedia.org/wiki/Internet\\_access#Cable\\_Internet\\_access](http://en.wikipedia.org/wiki/Internet_access#Cable_Internet_access)

### Cloud computing

Cloud computing is the use of computing resources (hardware and software) that are delivered as a service over a network (typically the Internet). The name comes from the use of a cloud-shaped symbol as an abstraction for the complex infrastructure it contains in system diagrams. Cloud computing entrusts remote services with a user's data, software and computation.

[http://en.wikipedia.org/wiki/Cloud\\_computing](http://en.wikipedia.org/wiki/Cloud_computing)

### Cyber liability insurance coverage

Cyber liability coverage is insurance coverage for liability that arises out of unauthorized use of, or unauthorized access to, electronic data or software within your network or business.

<http://businessinsure.about.com/od/liabilityinsurance/a/Cyber-Liability-Coverage.htm>

### Document management system

A document management system (DMS) is a computer system (or set of computer programs) used to track and store electronic documents. It is usually also capable of keeping track of the different versions modified by different users (history tracking).

[http://en.wikipedia.org/wiki/Document\\_management\\_system](http://en.wikipedia.org/wiki/Document_management_system)

### DSL internet connection

Digital Subscriber Line (DSL) service provides a connection to the Internet through the telephone network.

[http://en.wikipedia.org/wiki/Internet\\_access#Digital\\_subscriber\\_line\\_.28DSL.2C\\_ADSL.2C\\_SDSL.2C\\_and\\_VDSL.29](http://en.wikipedia.org/wiki/Internet_access#Digital_subscriber_line_.28DSL.2C_ADSL.2C_SDSL.2C_and_VDSL.29)

### Electronic collaboration tools

collaborative software is application software designed to help people involved in a common task achieve goals. One of the earliest definitions of collaborative software is 'intentional group processes plus software to support them.'

[http://en.wikipedia.org/wiki/Collaborative\\_software](http://en.wikipedia.org/wiki/Collaborative_software)

### Email encryption

Email encryption refers to encryption, and often authentication, of email messages, which can be done in order to protect the content from being read by unintended recipients.

[http://en.wikipedia.org/wiki/Email\\_encryption](http://en.wikipedia.org/wiki/Email_encryption)

### Fiber optic / OC1 internet connection

The use of optical fiber offers much higher data rates over relatively longer distances. Most high-capacity Internet and cable television backbones already use fiber optic technology, with data switched to other technologies (DSL, cable, POTS) for final delivery to customers.

[http://en.wikipedia.org/wiki/Internet\\_access#Fiber\\_to\\_the\\_home](http://en.wikipedia.org/wiki/Internet_access#Fiber_to_the_home)

### Global positioning system

The Global Positioning System (GPS) is a space-based satellite navigation system that provides location and time information in all weather conditions, anywhere on or near the Earth where there is an unobstructed line of sight to four or more GPS satellites.

[http://en.wikipedia.org/wiki/Global\\_Positioning\\_System](http://en.wikipedia.org/wiki/Global_Positioning_System)

**Google Maps®**

Google Maps is a web mapping service application and technology provided by Google, that offers street maps, a route planner for traveling by foot, car, bike (beta), or with public transportation and a locator for urban businesses in numerous countries around the world.

[http://en.wikipedia.org/wiki/Google\\_Maps](http://en.wikipedia.org/wiki/Google_Maps)

**Instant messaging**

instant messaging (IM) is a form of communication over the Internet that offers quick transmission of text-based messages from sender to receiver.

[http://en.wikipedia.org/wiki/Instant\\_messaging](http://en.wikipedia.org/wiki/Instant_messaging)

**Internet connection**

Internet access is the means by which individual terminals, computers, mobile devices, and local area networks are connected to the global Internet.

[http://en.wikipedia.org/wiki/Internet\\_access#Technologies](http://en.wikipedia.org/wiki/Internet_access#Technologies)

**Mobile device**

A mobile device (also known as a handheld device, handheld computer or simply handheld) is a small, hand-held computing device, typically having a display screen with touch input and/or a miniature keyboard and weighing less than 2 pounds.

[http://en.wikipedia.org/wiki/Mobile\\_device](http://en.wikipedia.org/wiki/Mobile_device)

**Mobile router**

A mobile broadband modem, also known as a connect card or data card, is a type of modem that allows a laptop, a personal computer or a router to receive Internet access via a mobile broadband connection instead of using telephone or cable television lines. A mobile Internet user can connect using a wireless modem to a wireless Internet Service Provider (ISP) to get Internet access.

[http://en.wikipedia.org/wiki/Mobile\\_broadband\\_modem](http://en.wikipedia.org/wiki/Mobile_broadband_modem)

**Multi-monitor display**

Multi-monitor display is the use of multiple physical display devices, such as monitors, televisions, and projectors, in order to increase the area available for computer programs running on a single computer system.

<http://en.wikipedia.org/wiki/Multi-monitor>

**NASBP SuretyConnect**

SuretyConnect is a set of tools that NASBP has implemented on NASBP.ORG to provide membership an improved experience and enhanced interactivity among members, affiliates, and associates.

<http://www.nasbp.org/Help#WhatsSuretyConnect>

**Online meeting tools / web conferencing**

Web conferencing refers to a service that allows conferencing events to be shared with remote locations. These are sometimes referred to as webinars or, for interactive conferences, online workshops.

[http://en.wikipedia.org/wiki/Web\\_conferencing](http://en.wikipedia.org/wiki/Web_conferencing)

**Operating system**

An operating system (OS) is a collection of software that manages computer hardware resources and provides common services for computer programs. The operating system is a vital component of the system software in a computer system. Application programs usually require an operating system to function.

[http://en.wikipedia.org/wiki/Operating\\_system](http://en.wikipedia.org/wiki/Operating_system)

**Remote desktop software**

The term remote desktop refers to a software or operating system feature that allows a personal computer's desktop environment to be run remotely on one system (usually a PC, but the concept applies equally to a server), while being displayed on a separate client device.

[http://en.wikipedia.org/wiki/Remote\\_desktop\\_software](http://en.wikipedia.org/wiki/Remote_desktop_software)

**RSS feeds**

RSS, or "Real Simple Syndication" is a family of web feed formats used to publish frequently updated works—such as blog entries, news headlines, audio, and video—in a standardized format. RSS feeds benefit publishers by letting them syndicate content automatically.

<http://en.wikipedia.org/wiki/RSS>

**Smart phone**

A smartphone is a mobile phone built on a mobile operating system, with more advanced computing capability connectivity than a feature phone.

[http://en.wikipedia.org/wiki/Smart\\_phone](http://en.wikipedia.org/wiki/Smart_phone)

**Social network**

A social networking service is an online service, platform, or site that focuses on facilitating the building of social networks or social relations among people who, for example, share interests, activities, backgrounds, or real-life connections.

[http://en.wikipedia.org/wiki/Social\\_networking\\_service](http://en.wikipedia.org/wiki/Social_networking_service)

**T-1 / Bonded T-1's / T3 internet connection**

Used primarily by ISPs, business, and other large enterprises to connect LANs and campus networks to the Internet using the existing infrastructure of the public telephone network or other providers. Delivered using wire, optical fiber, and radio, leased lines are used to provide Internet access directly as well as the building blocks from which several other forms of Internet access are created.

[http://en.wikipedia.org/wiki/Internet\\_access#Leased\\_lines](http://en.wikipedia.org/wiki/Internet_access#Leased_lines)

**Tablet**

A tablet computer, or simply tablet, is a one-piece mobile computer. Devices typically offer a touchscreen, with finger (or stylus) gestures acting as the primary means of control; an on-screen, hideable virtual keyboard is generally offered as the principle means of data input.

[http://en.wikipedia.org/wiki/Tablet\\_computer](http://en.wikipedia.org/wiki/Tablet_computer)

**Telecommuting**

Telecommuting is a work arrangement in which employees do not commute to a central place of work. According to a Reuters poll, approximately "one in five workers around the globe, particularly employees in the Middle East, Latin America and Asia, telecommute frequently and nearly 10 percent work from home every day".

<http://en.wikipedia.org/wiki/Telecommuting>

**Voice over IP or hosted VoIP**

Voice over IP (VoIP, abbreviation of voice over Internet Protocol) commonly refers to the communication protocols, technologies, methodologies, and transmission techniques involved in the delivery of voice communications and multimedia sessions over Internet Protocol (IP) networks, such as the Internet.

<http://en.wikipedia.org/wiki/VOIP>

**Web services**

A Web service is a method of communication between two electronic devices over the World Wide Web. A Web service is a software function provided at a network address over the web or the cloud, it is a service that is "always on" as in the concept of utility computing.

[http://en.wikipedia.org/wiki/Web\\_services](http://en.wikipedia.org/wiki/Web_services)

**Wiki**

A wiki is a website which allows its users to add, modify, or delete its content via a web browser collaboratively.

<http://en.wikipedia.org/wiki/Wiki>