

CONSTRUCTION PRACTICE GROUP

Site contractor increases surety capacity, fixes a \$30K audit error, and protects \$170K in cash.



BACKGROUND & CONTEXT

A large site contractor had been experiencing problems related to surety, audits, and claims. On the surety side, they were concerned about capacity and future sustainability. The lack of an A rated surety was becoming a point of contention during contract negotiations.

In addition, a lack of broker responsiveness on an audit issue was tying up over \$50,000 in cash flow. Lastly, an equipment claim for \$170K was not being advocated for and thus the claim was simply sitting on an adjuster's desk for 4 months without getting paid.



SOLUTION & TACTICS

The BKS Construction Practice Group met with the client to develop a service plan to fix their surety, audit, and claims issues. The Surety team suggested getting a larger line of credit through one of BKS' preferred banking relationships, which dramatically improved interest from surety underwriters. The audit issue was addressed by helping the client find the right information to correct the auditor's calculation. BKS helped the incumbent broker communicate the right data to the carrier. BKS's claims consulting group leveraged a relationship with the carrier to very quickly obtain the necessary information to get the claim paid.



VALUES & LESSONS

The additional line of credit allowed BKS to place the client with an AM Best A rated surety. This enhanced their competitive position and allowed them to win jobs they had been losing.

Tracking down the correct information from the auditor led to a \$30K decrease in monies owed on the audit. The additional cash was deployed back into the business to fuel growth.

Leveraging BKS' adjuster relationships led to a quick claim payout of \$170K in less than 2 months. An additional \$10K in rental reimbursement was obtained.