

Expedited Dispute Resolution Bond

PROVIDING INNOVATIVE SOLUTIONS FOR OWNERS

There is no shortage of risk in today’s construction industry. To protect your project, you need specialists who truly understand your evolving exposures.

The Travelers Expedited Dispute Resolution (EDR) Bond is an innovative offering that streamlines the claims handling and adjudication process. The objective of the bond is to keep your project moving forward by avoiding costly delays and addressing disputes quickly.

The EDR Bond sets a new standard of responsiveness for the surety product.

What’s different about the EDR Bond?

The EDR Bond minimizes project disruption and helps maintain the schedule by allowing work to continue during a dispute. Additional benefits include the following:

- Direct access to the Travelers claim professional dedicated to your project
- Limits available up to 100% of the contract price
- Coverage includes liquidated damages and warranties as specified in the contract
- Optional advance payment coverage rider
- First bond of its kind to receive the same liquidity credit from Standard & Poor’s as a 10% Letter of Credit*

EDR Bond vs Letter of Credit (LOC) available for projects in the U.S. and Canada

When it comes to project security, Travelers EDR Bond checks *all* the boxes:

According to BizMiner, of the **986,057** general contractors and operative builders, heavy construction contractors and special trade contractors operating in **2011**, only **735,160** still were in business in **2013** – a **26.24%** failure rate.**

These businesses leave behind unfinished private and public construction projects – and still worse, millions of dollars in losses to project owners and taxpayers.

Public and private construction project owners can mitigate the risk of contractor failure by requiring bid, performance and payment bonds.

**Source: BizMiner (2014)

Feature	EDR Bond	LOC
Time-certain dispute resolution	✓	
Irrevocable and unconditional guarantee	✓	✓
Funds available for liquidated damages	✓	✓
Funds can be used to remedy default	✓	✓
Sufficient limits to complete the project	✓	?
Prequalification and ongoing monitoring of both the contractor and your project	✓	?
Dedicated claims professionals whose expertise is completing large construction projects	✓	?

*In 2014, Plenary Walsh Keystone Partners received 10% liquidity credit on the Rapid Bridge Replacement Project using the Travelers EDR Bond

Improved risk mitigation

Travelers can help you transfer risk of a loss due to costs arising out of a contractor default. We can help you reduce your risk in several ways:

- ▶ **CONTRACTOR SELECTION**
In addition to thorough credit evaluations, Travelers conducts exhaustive reviews of historical project performance and thoroughly vets the business acumen and sophistication of your contractor's leadership team.
- ▶ **PROJECT PREQUALIFICATION**
When you choose an EDR Bond from Travelers, you can be as confident as we are in the contractor's experience and ability to complete the work.
- ▶ **ON-GOING MONITORING**
Travelers not only monitors your bonded project, but your contractor's entire work program as well, with the goal of preventing problems that could negatively impact your project.

Backed by Travelers

For more than 100 years, Travelers has been a leader in the surety industry. We have over 50 locations throughout North America, staffed with dedicated underwriters and surety claim professionals.

- Largest writer of surety bonds in North America
- Combined Treasury listing in excess of \$1.5 billion – the largest in the surety industry
- A.M. Best* rating of A++ (superior) for financial strength

Whether you're choosing bonds for the first time, or already using them in your risk management program, Travelers can provide you with innovative surety tools for your project.

Construction is a complicated business. Let Travelers provide you with the peace of mind that your project will be completed on time.

QUESTIONS?

Contact your local agent or broker today.



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Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

*A.M. Best's rating of A++ applies to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best and other rating services, visit travelers.com. Ratings listed herein are as of July 22, 2016, are used with permission, and are subject to changes by the rating services. For the latest rating, access ambest.com.

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