

Global Surety by Zurich

Surety





Surety from Zurich

Zurich Germany's Credit & Surety Unit has joined with the Zurich Financial Services Group in an international surety initiative to expand operations in Continental Europe. This initiative leverages our long history and expertise in the surety marketplace to support existing Zurich customers and to reach new customers. At the same time, we are participating with other Zurich entities around the world, sharing best practices in order to bring surety solutions to customers world-wide.

Surety underwriting for Continental Europe is performed out of Frankfurt, which is the Centre of Excellence for Credit & Surety within Zurich's Business Division: Continental Europe, and administered centrally or locally depending on specific customer needs and market constraints.



Zurich offers a full programme

Put simply, a Zurich Bond is a guarantee given to one party to a contract that the obligations of the other party under the bonded contract will be completed and, if not, that payment of loss will be made by Zurich up to the Bond limit.

As it is not a traditional contract of insurance, a Bond is made available on recourse terms so that if the guarantor has to pay, it is entitled to reimbursement.

A Zurich Bond facility leaves the client's bank credit lines available for working capital and other funding requirements generally allows a more cost efficient management of corporate debt. It is an additional source of finance, complementary to bank finance.

Usually Zurich negotiates with the client a Bond line where the client knows that during a certain period of time he is entitled to request Zurich to issue Bonds up to an agreed limit under the terms and conditions of the Bond Facility. However, Zurich also responds to individual Bond requests related to special contractual or legal obligations.

Bond prices are quoted as basis points in respect of the issued bond volume on a p. a. basis. The main condition precedent to an offer made by Zurich is the financial information requirement about the corporate customer:

- last two annual reports of the Client/resp. of the Group to which he belongs
- details of credit and guarantee/bond facilities in place
- management accounts/review of current performance/financial projections if available
- confirmation of no material adverse change since the publication of the last audited report



Zurich issues all types of Bonds and guarantees for clients operating in many different industries all over the world. The following are examples of the types of Bonds most commonly required. However, Zurich also develops tailor made guarantees for specific requests by corporate customers.

Bid Bond

A guarantee to the prospective employer that the tenderer is making a responsible bid and will be bound if the bid is accepted.

Performance Bond

A guarantee protecting the employer against contractual default. In the event of default of our client regarding his contractual obligations, Zurich guarantees to bear the residual costs in order to fulfill the contract up to the bond limit.

Advance Payment Bond

A guarantee given where monies are advanced on account of goods or services.

Retention Bond/Maintenance Bond

A guarantee issued in substitution for retention monies, which would otherwise be withheld.

Market Regulation Bonds

Bonds required as a condition for obtaining a statutory license or approval from regulatory bodies.

Travel Bonds

Bonds required to insure clients from Travel Companies against the loss of advance payments in the event of default of the travel company

Customs Bonds

Bonds required to allow appeal procedure or injunction procedure to start.

Tax Bonds

Ensure the proper declaration and timely payment of taxes.

Court Bonds

Secure the payment of fiduciaries' duties and compliance with a court order.



Together with Zurich North America Surety, Zurich GSG Ltd. in the UK we have installed global surety facilities whereby global surety customers are supported and serviced anywhere in the world.

As a member of the Zurich Financial Group, Surety is able to bring tremendous resources to bear in our efforts to meet customer needs. Zurich is a leading, internationally recognised provider of insurance – general and life. Headquartered in Zurich, Switzerland, the group operates in more than 50 countries worldwide. Zurich has been in business for more than 125 years, providing a global reach and local touch with 57,000 employees. The financial strength of Surety is greatly enhanced by our membership in the Zurich Group (A+) whose financial stability is recognised around the world.



Because change happenz™