

Bond - Surety Bond - Third Party Bond

Bonds - Surety Bond - Third Party Bond We can issue many Bonds Immediately. Directly from our office! What is a Surety Bond?

Contrary to popular belief, a surety bond IS NOT INSURANCE, however it often mistaken as such. A bond is the guarantee or surety that a third party will make good on a claim in the event that there is a loss. Therefore, as an example, if a second hand dealer like an auto sales shop sells someone a car that is a lemon, the surety or bonding company is not guaranteeing the worthiness of that vehicle. The idea of the Third Party Bond is that it makes it easier for the consumer to be refunded for their loss or purchase in this case.

It is also classified as a three-way agreement between a surety company (Bonding Company), a contractor (Service Provider) and the project owner (Service Recipient). If the contractor fails to comply with the contract, the surety assumes responsibility and ensures that the project is completed. By law, contractors to the federal government must provide surety bonds on federal construction projects valued at \$25,000 or more. Many state, county, city and private-sector projects require bonding as well. Who Needs a Bond?

Need and have a are 2 different stories. In most cases many of the people purchasing these compliance bonds are either required to do so by the locality in which they are operating, for the party for whom they are performing work, or they wish to impart upon their prospective clients the fact that they are "Bonded". When you see an advertisement that states "Licensed, Insured and Bonded" this is typically the bond they are referring to, however there are other forms of bonding that are just as important to many types of businesses. How are they rated?

Normally bonds are based on the financial security of the individual or organization that is requesting them. So in many cases having acceptable or good credit does help. For simple \$500, \$1000, or \$5000 bonds required for the License and Permit Bond Requirements they are simple and somewhat less strict. However for Employment Agency Bonds, Bid Bonds, or Performance Bonds the underwriting is much more strict and the premiums will increase based on the applicants financial history and ability provide proof of worthiness. How long does the Bond Application Process take?

The Bond Quote and Bond Application process usually takes anywhere from a few minutes to a few business days depending on the type of bond. In fact for most of Department Of Consumer Affairs Compliance Bonds, our office can issue them immediately, signed, sealed and stamped. From there they only need to be countersigned by yourself and a notary to be considered acceptable by the NYC DCA.

However, for larger and more complicated bonds like Bid Bonds and Performance bonds in excess of \$50,000, the quoting and issuance may take up to a few days. Bonds of this value can and will require financial documents, bank statements, accountant prepared cash flow and balance sheets, a list of work in progress, recent jobs completed and resumes of the company principals. What other types of Bonds may I need or are available?

There are several types of Bonds, when you are shopping for one, be prepared to indicate what the bond you are looking for is supposed to do, who is requiring it and what you wish for it to cover. In addition to License and Permit Bonds, there are:

- Commercial Compliance Bonds
 - Notary Public Bond
 - Public Official Bond
 - License & Permit Compliance Bond
- Court, Probate & Fiduciary Bonds
- Contract Bonds
 - Bid Bond
 - Performance Bond or Payment Bond
 - Material Bond
 - Supply Bond
- Fidelity Bonds
 - Dishonesty Bond or Employee Dishonesty Bond
 - Janitorial Services Bond
 - Pension Trust Bond or ERISA Bond (Employee Retirement Income Security Act)
- Errors & Omissions Bonds
- Tax Preparer Bond

- Notary Public Bond Additionally, we are also listed on the New York City Department of Consumer Affairs Compliance Bond Provider List. If you need a Surety Bond Immediately or want a quote on one, please Contact Us directly at 646.467.7832. We Currently Offer Surety Bonds in New York, NY, New Jersey, NJ and Pennsylvania, PA.

Castle Rock Agency - Bonds
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