

Bonding Builds Confidence: Protecting Projects, People, Public Funds

Surety bonds unite financial assurance with project accountability, ensuring work is finished, workers are paid, and taxpayer dollars deliver full value—no matter the economic climate.

→ EVIDENCE AT A GLANCE

| PROTECTION ASPECT | LOW-RISK ECONOMY (STATUS QUO) <i>Per \$1 M premium</i> | HIGH-RISK ECONOMY (1990S-STYLE) <i>Per \$1 M premium</i> |
|-----------------------|---|---|
| GDP SAFEGUARDED | \$3.75 M | \$26.75 M |
| JOBS PRESERVED | 27.5 jobs | 196.4 jobs |
| TAX REVENUE RECOVERED | \$0.42 M | \$2.99 M |
| SOCIAL VALUE CREATED | \$1.26 M | \$8.99 M |

All figures are for public infrastructure projects using both **performance + payment** bonds. Over 150,000 surety project records (performance and payment bonds) since 2015 used to explore the value proposition and drive the analysis.

→ WHY IT MATTERS

10X INSOLVENCY PROTECTION

Bonded construction firms are **ten times less likely** to fail than non-bonded firms.

4:1 BASELINE PAYBACK

Even in calm markets, every premium dollar returns **4X** its cost in protected GDP.

ECONOMIC SHOCK ABSORBER

During downturns, the payback soars to **27X**, keeping projects on-track when Ontario needs them most.

WELL-BEING SHIELD

By safeguarding wages and subcontractor payments, bonding preserves household stability and community vitality.

FISCAL PRUDENCE

Treasuries gain: **\$2.99** in tax revenue is secured for every premium dollar in high-risk periods.

→ POLICY INSIGHT

PERFORMANCE + PAYMENT BONDS DELIVER SUPERIOR, SYSTEM-WIDE BENEFITS BY:

1 Ensuring completion of critical infrastructure (water, transit, health-care facilities).

2 Paying subcontractors and suppliers on time, preventing cascading failures through supply chains.

3 Reducing contingency costs and lender risk-premiums embedded in project pricing.

For more information:



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→ CALL TO ACTION

Ensure that all government-funded capital projects are protected by mandated performance + payment surety bonds.

View the reports at suretycanada.com

