

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	\$3.34 M	\$23.99 M
JOB PRESERVED	28.3 jobs	203.2 jobs
TAX REVENUE RECOVERED	\$0.44 M	\$3.15 M
SOCIAL VALUE CREATED	\$1.63 M	\$11.73 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.

3:1 BASELINE PAYBACK

Even in calm markets, every premium dollar returns **3X** its cost in protected GDP.

ECONOMIC SHOCK ABSORBER

During downturns, the payback soars to **24X**, keeping projects on-track when Quebec needs them most.

WELL-BEING SHIELD

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

FISCAL PRUDENCE

Treasuries gain: **\$3.15** 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:



Steven D. Ness
President and Chief Operating Officer
Surety Association of Canada
416-419-0750
sness@suretycanada.com

CANCEA

Paul Smetanin
President
Canadian Centre for Economic Analysis Inc.
1-800-865-5153
paul.smetanin@cancea.ca



→ CALL TO ACTION

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

View the reports at suretycanada.com

