

Surety Career Profile

The first of a series of occasional profiles spotlighting surety career paths

Mary Jeanne Anderson: Four Decades of Surety Growth



MARY JEANNE ANDERSON didn't know anything about surety when, right out of college, she applied for a position as an underwriter with Fidelity and Deposit Company (F&D) of Maryland (later Zurich) in 1977. But she impressed the interviewers and became the second woman ever hired by F&D as a home

office contract bond underwriter. Over the next 40 years, Anderson developed a broad and deep knowledge of surety as she took on roles of increasing responsibility.

Anderson earned her law degree and was admitted to the Maryland Bar during her 20-plus years at F&D/Zurich. "I made the key decision to stay in surety in lieu of practicing law. I had been in surety for five years at that point and felt that I had found my niche in the business world," she said. She went on to become Zurich's Senior Vice President of Surety.

In 2001 Anderson joined the senior surety team at Kemper Surety before moving with the team to Arch Insurance Group. She later served as President of Surety for the Hanover Insurance Group and then went on to establish MJA Consulting LLC in 2011.

Anderson said many aspects of the surety industry have changed over four decades. Today's email is a far cry from the Telex communication method used when she first entered the business. In addition, the advent of technology has transformed the speed of business. The rapid transmission of information and automated analysis tools have created reduced submission times and benefit a bonding company's expense ratio as long as the technology budget does not get out of hand.

While the basics of surety haven't changed dramatically, Anderson does have some concerns about how the industry today is placing greater emphasis on the business of surety, because that often comes at the expense of underwriting discipline.

"During years when the surety market as a whole is showing positive results, there's a business push to acquire more customers and to write more premium," Anderson said. But contractors don't generally leave their surety partners unless there is some kind of problem. While getting those customers by loosening underwriting standards may win a surety more business short term, "cutting corners to save money on the expense side or rapid premium growth to increase revenue can be costly on the loss side," she added.

The role of the surety producer has changed but remains vitally important, especially in an era when underwriters are handling more business and spend less time out in the field with contractors. "Underwriters must rely on the producer's relationships in the community, assessment of a contractor's character, and knowledge of the local market," she added.

Anderson is concerned by one thing that hasn't changed—the continued lack of diversity in the industry. "There's still an overwhelming predominance of white males in the surety ranks, particularly at the leadership levels and in contract surety," she said. She used to think this problem would correct itself over time. But today, even when women join the industry initially, they don't stay and make a career in large numbers. While it's possible the surety industry is simply a reflection of its customer base—most contractors are male—Anderson believes that women are missing out on a fulfilling career.

There are many reasons that Anderson herself has remained in the industry. "One is that I like what sureties do; at its core, surety protects taxpayers and business owners," she said. "Secondly, I like the quality of the people and the relationships that you build over time. The people in the industry are intelligent, committed individuals focused on building long-term relationships. There will be challenges, but you will always find a solid support system to help you address those challenges and you will never stop learning," she continued.

Working with contractors and agents has been rewarding. "I've gotten to see and do many things and meet people who make a real difference in this country with some of the projects that they're building now or have built in the past," she said.

She likes that the surety industry requires a unique blend of skills and an understanding of many different fields. "While surety represents a small niche within the insurance world, it involves a broad spectrum of disciplines: finance, engineering, law, marketing, to name just a few," Anderson added.

Her role as a consultant has brought all these elements together. "It allows me to share the lessons I have learned from both positive and negative experiences during my career and to put that knowledge to a practical use. Interestingly, I find that common sense surety basics still hold true regardless of the individual circumstances I have encountered as an expert witness in litigation, an underwriting auditor, or a technology advisor." ●

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Kevin J. Garrity:

Having a Blast Ensuring Contractor Success



“OTHER THAN MARRYING my wife, taking this job was the best decision I ever made,” said Kevin J. Garrity, who has been with the NASBP member firm Rose & Kiernan Inc. (R&K) for 30 years.

Helping clients grow never gets tiresome, according to Garrity. “Working with clients and watching them develop and prosper is rewarding and humbling,” Garrity said. “Being a surety profes-

sional gives you a front row seat and a role in ensuring contractor success.”

What Garrity most enjoys about surety is that it “is a relationship business. [Surety professionals] establish almost unbreakable personal relationships that transcend business.”

Garrity earned a BA in political science in 1979 from the State University of New York College at Cortland, including study at Dublin, Ireland’s School of Irish Studies in 1978. His first job was doing labor for a mechanical contractor before becoming a debit life agent with Prudential Insurance. But, he knew life insurance wasn’t a good fit and pursued learning about surety after taking a property and casualty licensing course. An uncle in surety introduced him to the Peerless Insurance Company, which hired him as a surety underwriter in 1980.

“One agency I called on for Peerless was S.H. Gow & Company, and they thought my surety experience might make me a good insurance producer,” Garrity recalled. In 1985, he became bond manager for Gow’s New York offices located in Buffalo, Rochester, Syracuse, and Albany. His desire to return to family roots in Albany led to accepting a position with R&K’s Construction and Bond Department in 1989.

“The quality and reputation of the [R&K] and the employee ownership model have been special to my career,” said Garrity. “Meeting and working with the established book of business, then joining R&K and having its outstanding and established surety company relationships, a great mentor in Len Engel, and an impressive book of business to cut my teeth, provided me the opportunity to build on what was there and to cultivate new client business.”

Since he started at R&K, Garrity has taken on progressively more responsible positions. In 1996 he was appointed Vice President and elected to the Board of Directors. In 2000 he became Senior Vice President and assumed the Corporate Secretary duties in 2002. He also sits on the agency’s Salary Review and Pension Audit Committees. Garrity said he values the support he received from his esteemed colleagues, Mark Nickel, David Cooper, and Thomas Tyrrell.

Get Involved and Watch Your Career Benefit From It

Garrity finds his time spent in industry service invaluable. “Through association participation you learn the issues affecting your clients’ businesses,” he remarked. “It helps you build lasting relationships with the people you do business with. There are now times when I sit around a board or committee table and am surrounded by my clients.”

He is a past National Director of NASBP and past Chairman of its Government Relations Committee





being in the right place at the right time cannot be discounted.”

Garrity’s relationship with former U.S. Representative Richard Hanna (whom he first knew as a utility contractor client) made a difference while he chaired NASBP’s Government Relations Committee. “Working with NASBP staff and leadership and through the passion of Representative Hanna (pictured on page 23) in many meetings over a couple of years, the Association advocated for the passing of a significant industry-protecting, bi-partisan, good government piece of legislation,” Garrity recalled. “Certainly the happy coincidence of our earlier relationship was helpful.”

and attributes his success and leadership roles in the Association to the mentorship of NASBP Past Presidents William Maroney and Larry McMahon. “Without their advocacy, I probably wouldn’t have progressed in the organization,” he said. “The relationships and friendships I have developed and enjoyed over the years through NASBP have been invaluable to my career. At regional and national NASBP meetings, bond producers gain access to surety company decision-makers and have access to a network of surety professionals across the country. These relationships benefit the industry, our clients, and our respective firms.”

Garrity is a former elected member of the Board of Trustees for the Village of Voorheesville, a member of the Village Planning Board, and a member of the Village Water Board. He served on the Board of Directors of the General Building Contractors of New York State (now the Associated General Contractors of New York State) and the Eastern Contractor’s Association, and he is a past president of the Northeast Subcontractors Association.

Advocate for the Surety Industry – Your Industry

Garrity feels strongly that relationships and constituent involvement move the legislative world. “The role of government relations and advocacy on behalf of a business or issue cannot be overstated,” he said. “We are in an industry that was legislated into business and can just as easily be legislated out of business. Being involved and

Advice for Those New to the Industry

For those starting out in a surety career, Garrity shares this wisdom: “Show up. Work hard. Tell the truth. Get involved.” “I believe the industry is as relevant as ever,” Garrity said. “With the push for business development in the small and emerging construction world, surety professionals are best equipped to help develop new businesses. With the expected push on infrastructure development, protecting taxpayers continues to be relevant. That said, it is imperative we keep up legislative advocacy. We need to remind our legislative leaders that surety is NOT the problem but the solution.” ●



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Sarah Finn:

NASBP Past President Plays to Her Strengths



NASBP Past President Sarah Finn, right, and Bob Reiter, left, President, IMA, Inc.

“IT’S ESSENTIAL TO UNDERSTAND CONTRACTS AND RISKS AND TO REALIZE THAT YOU DON’T KNOW EVERYTHING. YOU HAVE TO HAVE AN INQUIRING MIND AND CONTINUE TO DEVELOP ADDITIONAL SKILLS, BECAUSE THE WORLD KEEPS CHANGING AND THE RISKS KEEP CHANGING.”

— SARAH FINN

ENGINEERING WAS SARAH Finn’s choice of major when she began studying at the University of Colorado Boulder back in the 1970s. She soon switched to a business major because she liked both numbers and people. Fortunately, after graduating with a bachelor’s in business administration, Finn landed a job in an industry she knew nothing about but that enabled her to develop those people and number skills and many others. She joined Reliance Surety Company in Denver as an underwriter trainee.

“Sarah is one of those rare individuals that has taken her personal style

of helping others and supercharged it into one of the most successful careers I have been associated with,” said Bob Reiter, President of IMA, Inc. “When you add attributes like superior financial aptitude, tenacity, persistence, and work ethic, you have an individual who has transcended her craft into a way of life.”

“Surety has been a great fit for me,” said Finn, Executive Vice President, Surety at IMA, Inc. “I really like people, and I’m pretty good at assessing them, but I’m also analytical and competitive, which is helpful in the world of business.”

After 10 years as an underwriter, Finn went to the broker side of the business, joining Lockton Companies of Colorado as Surety Manager and Senior Vice President. While at Lockton, she led the company’s surety growth in Denver from \$100,000 to \$1.5 million.

In 2000, Finn accepted a position at IMA, an employee-owned company that is the country’s sixth largest independent broker. While her original focus was surety sales, she soon took on a producer role as well. “I felt we needed to grow the organization, the industry book, and the



Sarah and her husband John at the 2013 Annual meeting in San Francisco.



Mike Lischer is following Sarah Finn's advice and staying involved in associations like NASBP.

construction book, so I started going out and finding clients who needed our help," she said. The revenues when Finn joined IMA were about \$28 million, and today they've reached \$176 million.

But Finn doesn't consider herself a sales person. "I view myself as someone who has experience across different situations and who can provide insight and guidance. I help clients resolve issues that they might encounter, whether they are surety issues or insurance issues or personnel issues."

Reiter praised Finn's client-focused drive, "She always starts with, 'how can I help?' This could be help with finding a school, a restaurant, a job, or with a business relationship but always with the underlying sincere interest to help people." Mike Lischer, Vice President of Surety at IMA, Inc., agreed, "Sarah's strengths come from her ability to understand and relate to people, her exceptional technical knowledge, and her desire to help solve a problem for a client or person, surety/insurance-related or not."

Receiving Recognition

"Success in surety begins with developing a broad range of skills and then building upon them," said Finn. "You have to learn people pretty well—their personalities, strengths, weaknesses.

But you also have to develop a financial acumen, so you listen to what people tell you and then look to see if the finances align. You look at the work in progress, and the schedule will tell you the personality of the company," she explained.

Lischer described his skill growth through working with Finn, "She has transformed my understanding of what a surety professional is and how to successfully apply the knowledge to the benefit of all parties. Sarah has taught me to think strategically across all aspects of a client relationship and to be forever proactive."

"It's essential to understand contracts and risks and to realize that you don't know everything. You have to have an inquiring mind and continue to develop additional skills, because the world keeps changing and the risks keep changing," she added.

One area where Finn has seen a great change is the number of women working in surety. When she became an underwriter 40 years ago, the few women working in the industry often found it difficult to win acceptance; and many left discouraged.

Finn initially found that people working for the big surety corporations were accepting of her, and so were the contractor clients. The brokers, however, were more challenging.

"They weren't used to having women underwriters, and they were hardest to convince that you shouldn't be judged on whether you are a female or a male but on whether you are capable and competent in your job," she added.

Working in the West, and particularly in Colorado, was a factor in her favor, Finn added. Colorado has more women in leadership roles than in most other places in the country, and the culture of the region is such that people will support you if you prove that you're good at what you do. Brad Baumgartner, Executive Vice President of IMA, said, "Sarah has an uncanny ability to quickly develop a personal connection with clients and prospective clients, while also establishing credibility almost instantly."

Doing an outstanding job is what helped Finn achieve a milestone in NASBP history as the first woman president of the Association, serving in that role from 2007 to 2008. While she recognizes that it was a significant change for the Association, Finn believes she was chosen for the position, not because she was a woman, but because she has excelled in writing and producing business.

Making Lasting Contributions

Finn has enjoyed a very satisfying career in surety, but she considers the daughters she raised with her



Sarah was NASBP President 2007-2008

husband John her most rewarding achievement. Erin is a physician and is currently completing a fellowship in endocrinology for adults and children. Caitlin, a lawyer, works as the Vice President of Finance and General Counsel for a software company and started Colorado Poverty Law Project, a nonprofit organization that provides legal assistance to low-income and homeless individuals.

"We raised kids who are contributors to a better world in what they do, and they are successful in their own right," Finn said.

Finn has used her knowledge of surety and the experience she's gained through the years to help her clients succeed. She's now finding ways to pass what she's learned to others in the surety industry. "My big thing nowadays is mentoring and developing other folks within our company; I'm really a big believer in the multi-generational workplace," she said. Mike Lischer echoed this sentiment: "To say Sarah has inspired or influenced me and my career would be an understatement. Sarah is an inspirational leader and I personally will say the best mentor a young surety professional could ask for."

By the time she's ready to retire, Finn wants to know that she has shared insights that can help others avoid some of the problems and difficult situations she's had to work through in the past.

She's found these efforts very rewarding. "I've been very fortunate

in some of the people I've mentored; one gentleman who came here 15 or 16 years ago is now one of our company's superstars," she added.

Baumgartner shared how Finn's counsel helped him: "I had the pleasure of connecting with Sarah Finn early in my career almost 17 years ago; and I can attribute most of my success to her mentorship and partnership. I would never have survived early in my career had Sarah not taken the time to be a friend and mentor."

Finn is also putting her understanding of accounting and finance to good use as a member of IMA's board of directors. "The company has 440 shareholders, some people with small holdings, others with larger. But being on that board you have to be mindful of

all shareholders," she said. While the role has been challenging, Finn said she is enjoying her work there because she is learning a lot.

Reiter is also a member of the IMA board of directors and said of Finn: "I have been blessed in my career to work beside her for 30 plus years, and believe me when I tell you that there are no barriers for Sarah, only opportunities to be conquered!"

Finn's desire to take on challenging new responsibilities has been a hallmark of her career. "Although I'd never want to go back, I've liked every job I've had in every company," she said. "I don't think I could stand a job that thewas the same every day. Surety is interesting and never boring. Nothing stays the same." ●



Sarah with her husband, John, at the 2011 NASBP Annual Meeting at the Broadmoor.

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Cowan, far left, with Ellen and Chris Leach and Rich Pratt at the 2016 NASBP Annual Meeting.

Bill Cowan:

Keep it Personal, Share Knowledge, and Give Back

The industry giant retires after 43 years in the surety industry.

The fourth in a series of occasional profiles spotlighting surety career paths.

BILL COWAN HAS always enjoyed the variety of work that a career in surety encompasses. “It has allowed me to do travel extensively, enjoy great meals, see fascinating construction projects, and meet many interesting people,” he said. Over the course of his career he’s traveled to every state except South Dakota.

So it’s unfortunate that the COVID-19 pandemic confined Cowan to his office at Maryland-based Insurance Associates, a Marsh & McLennan Agency, LLC Company, beginning in mid-March of 2020. He had hoped to make a farewell tour, saying goodbye to his many customers and friends in the industry.

Cowan got his start in surety in 1977, shortly after he graduated from New York University with a BS in economics and quantitative analysis. Continental Insurance Companies contacted him for an interview, and Cowan, assuming the job would be in its investment/finance department, prepared accordingly. When

he learned it was in the surety bond department, he admitted to the interviewer that he didn't know what that was. That soon changed.

Cowan gained a solid base in all areas of surety during his decade with Continental Insurance, working in the New York City branch, the Eastern regional office, and the home office. "At the end of my career there, I was a home office manager, having responsibility for both underwriting and operations," he said.

Cowan moved to Seaboard Surety in 1986 and concentrated on contract bonds. Four years later, with several senior managers of Seaboard Surety, Cowan moved to AIG, which wanted to establish itself as a major player in the market. During his six years at AIG, Cowan was based in New York City and served as the home office underwriter for the eastern third of the U.S.

Cowan's final job on the company side was with St. Paul Surety, which had recently taken over USF&G. He moved to Baltimore in 1998 for that position. Six years later, when Travelers acquired St. Paul, he accepted an attractive buyout package.

"I was contacted by a few surety companies, but all of them would have required relocation and I wasn't interested in that," Cowan said. "In the meantime, I was contacted by Steve Spencer of Insurance Associates. On the company side, I had always enjoyed working with them, and the firm had an excellent reputation."

"The transition to an agency was not too difficult," Cowan added. "Once again I found myself working among very talented and dedicated individuals."

Keeping It Personal

Steve Spencer, President of Insurance Associates, recalls that his initial meeting with Cowan in 2002 was less than auspicious. When Cowan was working for St. Paul Surety, he asked Spencer to come to Baltimore. "He called us up there to cut off one of our large accounts; he wanted to do it in person," said Spencer.

That's typical of Cowan, who believes in delivering both good news and bad news in person. He's concerned that many people in the industry today take the easy route, communicating with clients primarily by texts and emails.

"To be successful, you have to go out and meet your contractors; you have to go to events where you meet people," Cowan said. Throughout his career, he's emphasized to the people he's trained and worked with that declining a contractor shouldn't be done by fax or email, but in person.

Cowan said another key to success on both the company and the agency side is good preparation for customer meetings. "Before you visit a client, read about them; it's so easy today, because everything is online," he said.

Cowan advises people to pay closer attention to what the customer is saying. "You need to listen to your client; let him or her start talking about how great the construction company is. In my 30-plus years on the company side, I was well educated by listening."

Sharing Knowledge

"From a knowledge standpoint there's no one smarter than Bill Cowan when it comes to the inner workings of surety and dealing with tough issues," said Spencer. "Everybody who doesn't do surety thinks it's a simple process, but it's actually very complicated. Bill

can communicate with contractors the inner workings of contracts, indemnity agreements, and financials and how they affect the underwriting of a case."

"Bill is one of the most technically competent surety people that I have ever met. Having been a senior executive at an underwriting level at various surety companies, he's seen a lot over the years from a construction standpoint. That street knowledge is something that you can't read in a book," added Aldo Pasquariello, Executive Vice President at Insurance Associates.

Cowan's clients at Insurance Associates appreciate his insights. "He is very knowledgeable, and he has a demeanor that makes it easy to strategize and talk about things, such as what's going on in the industry and what the trends are," said Scott Harding, President of the electrical contracting firm of F.B. Harding. "I've been running our company a long time, and I've seen many other folks retire from our vendors. I can't name another person whom I miss as much as I will miss Bill."

Giving Back

Over the course of his career, Cowan has been active in both professional and community organizations. He was active with the Greater Washington, DC CFMA and volunteered with the Boy Scouts of America for more than two decades and as a firefighter in New Jersey for 17 years.



Cowan, third from left, with the Maryland Delegation on Capitol Hill during the 2013 NASBP Legislative Fly-in.



“YOU NEED TO LISTEN TO YOUR CLIENT; LET HIM OR HER START TALKING ABOUT HOW GREAT THE CONSTRUCTION COMPANY IS. IN MY 30-PLUS YEARS ON THE COMPANY SIDE, I WAS WELL EDUCATED BY LISTENING.”

His ties to NASBP date back to his days with Seaboard Surety, which was a strong supporter of the Association. He served on the NASBP Ethics and Government Relations Committees. Cowan also served as a Region 9 Regional Director for NASBP.

NASBP’s Immediate Past President, John Bustard of King & Neel, said that Cowan has been an active, engaged, and valuable part of NASBP. “He has been a strong legislative advocate for our industry in Maryland and in the nation’s capital. I would always see him at the NASBP Legislative Fly-in,” Bustard said.

Spencer said Cowan’s skill in working with government agencies was demonstrated by the recent decision of Baltimore County, Maryland, to accept bonds in lieu of letters of credit for subdivision bonds. “He worked on this behind the scenes with the county’s legal department on behalf of one of our big clients. This is huge for the industry,” Spencer added.

In recognition of Cowan’s many contributions to the surety industry, Bustard presented the NASBP Bruce T. Wallace Award to him at the May NASBP Virtual Event: Bonding With Bandwidth. Cowan said the award was a surprise. “I am very honored and humbled to be in that group of recipients of this award,” he said. Cowan credits his wife, Joan, as one of the principal reasons for his successful career that involved many nights in hotels and going to local work dinners and other events. That time away from family would not have been possible without her support and understanding, he said.

Looking Ahead

Cowan said the biggest change he’s seen in the industry over the years is the growing reliance on scoring models, and now on AI-driven models, in making underwriting decisions. While these models have helped sureties become more profitable, there’s a risk that the companies will lose the personal relationships and the insights into contractors that are critical.

He’s also concerned about the industry “aging out.” With people changing jobs so frequently these days, most surety companies are reluctant to spend the time and money it takes to send new employees to bond schools. While this approach is understandable, and there are no easy solutions, Cowan believes it will hurt the industry in the long term.

Despite such challenges, Cowan said a career in surety can be both financially rewarding and fun. “I would recommend the business to young people 100%. The opportunities are endless. The mix of educational backgrounds in the business—math, economics, finance, accounting, history, social studies, etc.—promote a good deal of performance diversity. Like me, you can make lifetime friendships,” he said.

“Retirement is bittersweet,” Cowan admitted. “I’m not leaving the business because I don’t enjoy it, but I’ve spent 43 years in it, and it’s time. What I will miss most is the social aspect—spending time with co-workers, surety company folks, and customers. I will also miss having the satisfaction of pleasing customers and finding solutions.”

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Combining an understanding of the legal and practical issues impacting sureties with unparalleled construction experience

Gary Dunbar

Outstanding Surety Industry Leader, Mentor, and Advocate



At the 2015 NASBP Annual Meeting, Gary Dunbar was awarded NASBP's prestigious Bruce T. Wallace Award by then NASBP President Tom Padilla.

Dunbar has helped unite the surety industry and expand the use of bonds in private sector construction.

GARY DUNBAR, WHO stepped down as President of the Great American Bond Division on December 28, 2020, will retire from Great American Insurance Company on April 2; but his contributions to the surety industry will have an impact long after his departure. During his 31-year career, Dunbar has been a passionate advocate for surety bonds and a leader in educating businesses about their important role on construction projects.

Dunbar gained a first-hand understanding of the financial side of the construction industry during his early working years. After graduating from

Ohio State University in 1976 with a degree in accounting, he worked for Armco Steel for 13 years, holding positions in accounting, auditing, finance, and operations. He served for a time as CFO and head of domestic construction for a construction subsidiary of Armco. During that time he also earned a Master of Business Administration in Finance from Xavier University and became a certified public accountant.

His move to surety came in 1989. "A former boss at Armco became an executive at Great American Insurance Company and, knowing my experience with all types of construction-related

businesses, asked me to join its surety operation," Dunbar said. In his first role as Assistant Vice President of Great American's Bond Division, Dunbar opened new offices in the Northeast to write contract surety business.

Dunbar became President of the Bond Division in 1993. Under his leadership over nearly three decades, the division more than quadrupled in premium and achieved significant profitability. "My greatest accomplishment at Great American has been expanding our operation throughout the U.S. and into Europe and building a strong organization with great employees," he said.

A Willingness to Listen

Dunbar said one of the most challenging aspects of working in the surety industry is watching good people go into claims because of difficult circumstances. The best part is “developing personal relationships with great people like agents, principals, professional groups—lawyers, accountants, bankers, legislators—and competitors.

Dunbar’s industry peers talk about his dedication to his customers and to the industry. “Gary understands the construction business; he understands his customers,” said Ed Heine, Executive Vice President and Managing Director, Surety, at PayneWest Insurance. “He’s a good listener and uses his considerable resources and his experience in order to help people.”

“Gary is heavy on common sense and wisdom, and his work ethic is second to none,” added Jay Black, Vice President Surety and Principal, Seubert & Associates, Inc. “He’s a creative thinker who invests the time to understand the risk. His goal is always to find a positive solution, if one can be found. He’s a thinker and a doer.” Black continued, “Gary built a tremendous organization through his assessment of talent, genuine concern, and communications. He set worthy people up to succeed and made sure to ‘catch them doing something right.’”

Heine said that Dunbar has created a culture of understanding and creativity at Great American. “He’s worked hard to make sure that he gives his employees in the field a certain level of autonomy and responsibility. He trusts them to make the right decisions but brings them together regularly for collaboration.”

Dunbar has influenced professionals throughout the industry. “I’ve known Gary since the 1990s, and he has been a mentor and an inspiration to me throughout my career, because he does surety business the right way,” added Todd Loehnert, President, L A Surety Solutions a division of Alliant Insurance Services. “It’s his approach to business and his willingness to listen to the client’s or the prospective client’s story before making a determination on how to proceed. It’s changed the way that I do business.”

Uniting the Industry

Throughout his career Dunbar has been active in NASBP and in the Surety and Fidelity Association of America (SFAA). “My close relationships with members of NASBP span my 31-year surety career,” he said. Dunbar has never missed one of NASBP’s annual meetings during that time. “NASBP’s national conferences offer an effective way for our leadership team to spend time with a wide range of NASBP producers from around the country.”

Much of Dunbar’s work with NASBP was done in conjunction with SFAA. “Gary has been a driving force in our industry,” said Lee Covington, SFAA President and CEO. “SFAA and its members have greatly benefited from his deep industry knowledge and his willingness to serve so diligently. He has been on our Board for more than 25 years, longer than any other member, serving on the Executive Committee for 10 years and as Chair of the Board from 2005 to 2007. As a thought leader and major contributor to the work of SFAA, his perspective has always been highly sought, respected, and appreciated by me, the Board, and the entire surety industry.”

There were tensions between the SFAA and NASBP in the early 2000s, and the organizations missed out on opportunities to work together on issues of common concern. During his years as SFAA chair, Dunbar worked closely with Heine, NASBP President from 2005-2006, to bring the organizations closer together.

“Ed and I worked closely to improve the relationship between the NASBP and the SFAA by seeking to combine the strengths of each for the benefit of the industry,” Dunbar said. “There was a concerted effort on the part of both associations to bring a fresh perspective,” added Heine. “We were able to illustrate that, if we worked together, we could be more effective in getting things done.”

One result of such collaborations was the Model Contract Development Program, which assisted minority and other disadvantaged contractors in securing bonding. “Our industry was accused of not doing enough for disadvantaged firms seeking to perform on public projects, resulting in attempts by some organizations to

reduce requirements for surety bonds on some public projects. I worked with others, from NASBP and SFAA, who tried to improve the perception of our product by focusing on making more disadvantaged contractors bondable,” Dunbar explained.

“We put together many educational initiatives that were designed to coach small and emerging firms on how to become bondable contractors. We organized other professionals like CPAs, lawyers, insurance agents, bankers, and large construction companies to provide resources, training, and general education to assist more disadvantaged companies in getting their first bonds. Many successful minority-owned businesses benefitted from our joint efforts,” he said.

His work on another joint NASBP/SFAA program, once called the Surety Information Office, was meaningful as well; among its actions was the creation of surety industry recognition awards. “We have identified local surety associations and surety professionals that deserve special recognition for their contribution to the surety industry. The awards include the Tiger Trust, for convincing a private owner to require surety bonds, and the Silver, Gold, and Platinum Awards for promotion of surety products.

Advocating for Surety

Dunbar said attempts by some organizations to eliminate surety bond requirements on public projects underline the need to educate owners and lenders involved in both public and private projects about the benefits of bonding.

“One challenge is overcoming the negative perception that our product is only required due to statutes or regulations versus being viewed as a good product that stands on its own merits,” he said. Over the last several years, he has worked hard to raise awareness about the benefit of surety bonds.

“Gary has been instrumental in helping to increase surety bond usage on private work,” said Tracy Tucker, President, Tucker Agency. “He has been making presentations to bank officers, demonstrating the value of bonds to help support their construction project lending, and took the lead in developing



Dunbar spoke at the lender panel presentation at the 2019 NASBP Regions 1, 2 & 3 Regional Meeting.

a PowerPoint presentation that many NASBP members have used when they talk with banks.”

Dunbar has made such presentations to dozens of loan officers over the years. For example, Dunbar; John Bustard, then President of NASBP; and Tim Martin, Divisional Vice President in Claims of Great American Insurance Company spoke at the NASBP Regions 1, 2, & 3 Regional Meeting in October 2019, to which NASBP had invited bankers, about the benefits of surety bonds to members and bankers. Dunbar has presented on this topic to many local surety associations. He’s also advocated for increased usage of surety bonds in meetings with key congressional leaders from Ohio.

Dunbar admits to being disappointed with the limited progress the industry has made on convincing private owners and their lenders to require surety bonds. He noted, however, that NASBP has refined and expanded the presentation he helped to develop and included it in its new public relations program, Be Guaranteed to Succeed. “I am excited about NASBP’s ongoing efforts to engage their members to promote the virtues of the surety product. I believe NASBP’s engagement of a public relations firm to promote the use of surety bonds will ultimately pay big dividends,” he said.

An Industry Standout

Numerous organizations have recognized Dunbar’s contributions to the surety industry. In 2007 the Surety Information Office awarded him the 2007 Platinum Award for Excellence in

“OUR INDUSTRY WAS ACCUSED OF NOT DOING ENOUGH FOR DISADVANTAGED FIRMS SEEKING TO PERFORM ON PUBLIC PROJECTS, RESULTING IN ATTEMPTS BY SOME ORGANIZATIONS TO REDUCE REQUIREMENTS FOR SURETY BONDS ON SOME PUBLIC PROJECTS. I WORKED WITH OTHERS, FROM NASBP AND SFAA, WHO TRIED TO IMPROVE THE PERCEPTION OF OUR PRODUCT BY FOCUSING ON MAKING MORE DISADVANTAGED CONTRACTORS BONDABLE.”

—GARY DUNBAR

Surety Bond Promotion. The Platinum award, given to members of NASBP and SFAA, recognizes the success of the individual’s overall actions in promoting the value and benefits of contract surety bonds throughout the year.

In 2015 NASBP honored Dunbar with its prestigious Bruce T. Wallace Award. In 2018 Dunbar received SFAA’s President’s Award for “extraordinary vision and service on behalf of the surety industry.”

Dunbar’s commitment to surety and his stories about his years in the business have inspired his sons’ choice of careers. Ken, his older son, is a member of the IT Customer Service Group at Great American Insurance Group, while younger son Craig is a surety underwriter for Liberty Mutual.

When he leaves his office for the last time in April, Dunbar said he will most miss the people that he has worked with for so many years. But he is looking forward to the time he will have to travel and to attend sporting events with Jan, his wife of 41 years.

Reflecting on his career, Dunbar is upbeat about the industry’s future. “The surety industry has prospered under strong producer and company leadership to be more stable and better able to respond to issues facing our industry than ever before,” he said. He has done everything he can to help prepare the industry and his company for that future. “Gary has worked very hard to ensure that there’s good perpetuation and continuity within his own organization. I hope that future generations take as much care of their responsibilities as he has,” said Heine. ●

Spence Miller

A Focus on an Ethical Approach to Surety



Miller, who is happily retired, attended the 2022 NASBP Annual Meeting & Expo. Pictured from left, Jon Wee; Miller's wife, Wendy; Brian Ayres; Miller; Chad Martin; and Owen Morse.

NASBP

SURETY WASN'T IN Spence Miller's career plans during his years at Augustana College in Illinois. After spending two summers as an intern in the mail room of Schwartz Brothers Insurance Agency in Chicago, he was ready to try a different industry. But once he had interviewed in that field, Miller reconsidered his career options and accepted an offer from Schwartz Brothers after graduation in 1979.

It was a lucky break for the surety industry. Over the years, Miller has inspired and assisted many people in the industry with his passion for surety, for education, and for a focus on an ethical approach to the business.

At Schwartz Brothers, Miller had some tough but excellent teachers. His father, Ray Miller, and another surety professional, Thomas Wiley, led the company's construction insurance and surety department. "After much thought and discussion, they decided I had some potential to become a decent surety person and guided me into that career and into involvement with NASBP," Miller said. "They both emphasized that a good reputation was critical in the surety business and that it was easy to lose, and almost impossible to get back."

Miller attended the USF&G Insurance School in 1980 and a year later went to NASBP's William J. Angell Surety School. "NASBP's School taught me the fundamentals not only of what surety is but also how you become a good bond person, the process you use. How do you ask questions? What do you hear? What do you do?" he said. "I was lucky enough to have Bill Angell and Jack Curtin, who were pioneering leaders of the Surety School, as my teachers. They shared their knowledge, but they also had a passion for the industry—about how to do things right and why it's important."

Miller passed on those same lessons when he taught at the Surety School from 1988 to 2000. "The faculty was teaching potential competitors of ours how to do this job correctly," he said. "To give back like that is important."

"I enjoyed teaching at the NASBP Surety School tremendously and made many enduring friendships. To introduce both newcomers and insurance veterans to the surety industry and to have them become interested and excited about surety is the highlight of my career. This position was the catalyst of my NASBP passion and involvement," he added.

Helping Customers Grow

Miller worked as a surety and insurance producer at Schwartz Brothers until he and three partners purchased the business from its owner in 1998. He became managing partner and then managing director when the partners sold the agency to NFP in 2014. He retired in the spring of 2021.

Most of Miller's clients were small, regional contractors that bid private rather than public work. One of his greatest career satisfactions was providing the bonds that enabled those contractor clients to achieve their dreams.

He recalls one instance where he was meeting with a contractor who hadn't been able to get bonding. When the contractor briefly left the room, Miller quickly called a bonding company contact and was able to get the needed bond approved. By the time the contractor returned, Miller was putting on his coat. When the contractor asked why Miller was leaving, he responded that the bond was approved and that he had to get back to the office to get the bond issued.

"It was a mechanical contractor that had retail sales as well. As we were walking out, the president of the company stopped in the middle of the showroom, got everyone's attention, and introduced me to them as the person that had saved their business," Miller recalls. "As I was driving back to work, I called the bond underwriter and told him the story; he was the one who deserved those accolades and should have heard them."

Another success story that Miller is particularly proud of is a start-up company that's been a client since 2001. "This client worked for another client of mine, and when he and his wife started their own business, they asked me to help with their bonds. They have been extremely successful in their business."

"To think that I have had a positive impact on people and customers is extremely gratifying and made it easier to retire," he said.

Dedication to NASBP

At the beginning of Miller's career, his father and Wiley told him, "If you're going to do this, you're going to do it right, and you're going to become active in NASBP as well," he said. Miller followed that advice. He served for many years as chair for several NASBP committees, including Education (now Professional Development), Ethics, Finance, Annual Meeting, Site Selection, and Nominating. He served on the Membership Committee as well.

He became President of NASBP in 2010. "I had a relatively quiet year, but one thing the Association and the Executive Committee really started focusing on around this time was improved communications to our membership. We got *NASBP SmartBrief* going, we upgraded *Pipeline* (the bi-monthly newsletter), and we started the NASBP Virtual Seminars," he said. In May 2022, Miller received the prestigious NASBP Bruce T. Wallace Award, the industry's highly coveted award presented only to a few who conduct themselves throughout their career with the highest of ethical standards and demonstrate commitment, consistency, intensity, and impact.



From left, Todd Loehnert, Matt Cashion, Marion Narkus, Miller, and Aaron Green at the 2011 NASBP Annual Meeting & Expo at the Broadmoor. Narkus, now retired, was Miller's coworker at Schwartz Brothers Insurance.

Miller said he benefitted in many ways during his years working with NASBP. "My clients would ask me, 'What are you doing this for—getting into the sort of time commitment required to be in the chairs?' I told them, 'One thing is I can pick up the phone and call anybody in the surety business when I have a question,'" he said. For smaller independent agencies especially, receiving perspective and feedback from a network of fellow NASBP members is of tremendous help.

Miller values the relationships he's formed and the friends he's made over his years in the Association. One of his closest friends is Matt Cashion, whom he met in 1988 at Surety School. (Some people have referred to them as twin sons of different mothers.)

"Being involved in an Association takes a lot of work and a lot of time, and Spence did a great job with that," said Cashion, who is president of the Cashion Company in Little Rock, Arkansas. "He was chair of what is now the Professional Development Committee for many years and did a great job leading that group, developing the different levels of Surety



Miller accepted the Bruce T. Wallace Award from 2021-2022 NASBP President Tracy Tucker at the 2022 NASBP Annual Meeting & Expo.



Pictured are Miller and Cashion with other faculty and a student of the 2016 Angell-Curtin Advanced Surety School Level III.

School and expanding it so we now run Levels I and II twice a year, often providing two classes of each twice a year. Level III is held every other year. At the same time, he was very respectful of people who paved the way for him to be in that position and made sure that they were still involved and felt involved.

"We influence each other, and Spence has certainly influenced me in very positive ways. I've leaned on him for his solid expertise; he's always very down to earth and practical, and he's very frank about his viewpoint on any given issue or matter. But he gives it in a way that people can respect his opinion, even if they have a differing one," Cashion adds.

Todd Loehnert, President of LA Surety Solutions, a division of Alliant Insurance Services in Louisville, Kentucky, met Miller at NASBP's Annual Meeting & Expo in 1992; and the friendship has grown ever since. "There's not anyone who has had more of an influence on my career than Spence. He cares deeply about NASBP and is passionate about protocols, ethics, and doing things correctly. If you are ever in a situation where you're close to the line and want to make sure that you're doing the right thing, I would immediately call Spence," Loehnert said.

In 2014 NASBP honored Miller with the John "Jack" J. Curtin, Jr. President's Award. The recipient of this award is chosen by the NASBP president for his/her outstanding service contributions to the Association and to the surety industry during the president's term.

Looking Long Term

Now that Miller is retired, he has more free time to golf and to spend time at his second home in Wisconsin. Plans for more travel are on hold for now due to COVID-19, but he and his wife, Wendy, frequently see their twin daughters, Jamie and Kara, who live close by.

But Miller's commitment to surety hasn't disappeared with his retirement. "Spence has remained involved and engaged in NASBP," said Cashion. "Oftentimes at a trade association, you'll see people fade out after they've gone through the leadership. But Spence still contributes. He's stayed involved in communications, reading up on what's



2009-2010 NASBP Officers from left: Miller, Todd Loehnert, Carl Dohn, and John Rindt.

going on in the industry, and weighing in with his opinions with people who are still active in the industry."

Miller has always been aware of the need to develop the next generation of surety bond producers. That's one reason why he decided to stop teaching at the Surety School, although he very much enjoyed that work.

"The Professional Development Committee has been a launching pad for many NASBP leaders; it's one of the few NASBP committees where you are highly visible," he said. "I felt that it made more sense for me to get out of the way and let other people have that same opportunity."

He is concerned, however, that many Members and Affiliates today do not fully appreciate the long-term importance and value of volunteering with NASBP; they are more focused on producing immediate revenue. At the same time, the industry is losing many members of the older generation who understood how important those connections are. The challenge for the industry and the Association in the future will be making sure that the NASBP Members and Affiliates understand the rewards, the revenue, and the growth that can come with the relationships that people involved in NASBP develop over time.

Another challenge is the need to continually educate users about surety. "We not only have to educate them on what surety is and what it's supposed to do versus what it doesn't do, but also about the need for it," he said. "It requires an intense effort of public education through our legislative committees and through everything we do. We are often asked to testify at both federal and state levels when legislators are trying to pass laws that weaken the need for bonds or the protections that bonds offer."

Miller also sees positives for the industry. "There are a tremendous number of new people in our industry, both on the underwriting side and on the production side, who care about this business and understand their roles and responsibilities," he added.

His advice for those new people just embarking on a surety career? "Get involved with NASBP and get your agency involved with NASBP, if it's not already," he said. "Once they do that, they should make as many contacts and network as best they can within the Association." ●



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Liz Hahn, who has been active in NASBP since 2009, is pictured far right at a reception at the 2023 NASBP Annual Meeting on Marco Island, Florida. Also pictured, from left, Alec Gumpfer of Parker, Smith & Feek and Craig Gortner of Chubb Surety.

Liz Hahn: Leaving the Comfort Zone

Liz Hahn welcomes surety's multiple opportunities for personal and professional growth.

MANY PEOPLE WHO take a job in surety have a business or accounting background. But for Liz Hahn, Senior Surety Advisor at NASBP Member Parker, Smith & Feek, a degree in film and a few years working for a high-end homebuilder provided an excellent foundation for a successful career in the industry.

Hahn developed many of the organizational skills she now uses during her undergraduate years at Wesleyan University. "Film is a tremendously useful project management degree," she said. "You learn about coordinating different kinds of people with many different skills, about communicating goals and objectives, and about managing

timelines. There's a lot of front-loaded planning that goes into film, so you have to think through how a project needs to roll out."

After graduation, she received an introduction to the construction industry and to bonding while being employed as a laborer and later as office manager and executive assistant for a Seattle-based homebuilder. "I got a feeling for the nuts and bolts of contract work. Plus, it was a gentle but eye-opening experience to being the only woman in the room," she said.

Hahn took on a different challenge when the construction company owner asked her to start up and run a side business drilling ground loops for geothermal heating and cooling systems. "It was such a cool project to be part of because I was there from the drafting of the business plan, including getting the financing, finding the heavy equipment, and hiring a licensed driller," she said. But when the recession hit and work disappeared, Hahn had to help close out the business.

These experiences helped shape her approach to surety. "One of my favorite things about surety is helping people get their first bond and get off the ground in the direction that they want to go," she said. "It's satisfying being able to support somebody who's in the position that I was in—maybe help them get a little better leg up than I got."

Surety Role Offers Variety

In 2009 Hahn accepted a position supporting a Surety Account Executive at Parker, Smith & Feek in Bellevue, Washington.

"The company has a really wonderful attitude about hiring the right people to support the culture and then getting them what they need to succeed," she said. During her first year on the job, Hahn completed Level I of NASBP's William J. Angell Surety School, began the coursework for The Institute's Associate in Fidelity and Surety Bonding, and shadowed surety underwriters. That helped prepare her to take on many of the responsibilities of the account executive position when the person she supported left the company.

"I was scared to take on that role by myself. It felt like it was too much, and I didn't feel ready. But I did it anyway, and it turned out well. It's important to take that leap sometimes," she said.

Her position as Senior Surety Advisor is special. "At many shops, there's a pretty clear division between administrative staff and sales staff. Parker, Smith & Feek identified a long time ago that there was a need for a sort of in-between role, someone who could be very client-facing and work independently with underwriters but who didn't necessarily want to produce," she said.

The position has been a great fit. "I like being in charge of my projects, I like having the responsibility for things and being accountable, but I don't like sales and I don't want production goals," Hahn said.

Her work is mainly with the commercial surety business. "There are things that I am directly responsible for, and

"I WAS SCARED TO TAKE ON THAT ROLE BY MYSELF. IT FELT LIKE IT WAS TOO MUCH, AND I DIDN'T FEEL READY. BUT I DID IT ANYWAY, AND IT TURNED OUT WELL. IT'S IMPORTANT TO TAKE THAT LEAP SOMETIMES," SHE SAID.

—LIZ HAHN

there are high-volume, highly complex accounts where I work with an experienced executive. So I am not locked into any one level of engagement," she said. "I also work closely with the company's insurance relationship managers. A lot of my clients are huge insurance clients, and if there's a problem on the surety side, it's a problem for the insurance team."

Hahn enjoys the variety of work her job entails. "Every day, in commercial surety in particular, you get to put on a different hat, learn about a different industry, figure out a different bond need," she said. Over the years, Hahn has assumed responsibility for many new programs, such as the credit-based contractor program, and has become the go-to person for the company's developer and real estate clients.

"I have valued the opportunity to keep pushing my skill set and my comfort zone," she said. Her mentors, including Kara London, the account executive she originally worked with, and Susy Larson, her current supervisor, have helped her grow by sharing their experiences and insights.

"I'm also truly grateful to every member of the PS&F team, whether we're supporting each other on a day-to-day basis, or it's an opportunity for me to be in a leadership capacity or to learn from someone," she said.

Hahn's favorite projects include her work with the Washington State ferries, since she frequently rides them to her family's home on San Juan Island. The most challenging was a condo project that required separate bonds for each of the building's 300 units. Over the course of nine long months, Hahn had to frequently redo the bonds due to lien amendments, postponed closings, and other changes.

Another part of the job that she finds challenging is turning people down when they're looking for a bond. "Not everybody qualifies, and sometimes you put together the best terms package you can, but it doesn't work out," she said.

Supporting Tech Advances

Hahn would like to see surety make greater strides in using technology for administrative tasks. "It's a little frustrating with all the technological solutions out there that, in many cases, we still have to print and sign and seal a bond and then scan it to send back to the client. And then the obligee may say, 'I can't take this scanned copy, I really need the physical,'" she said.



Hahn is pictured second from right at the 2022 NASBP Annual Meeting in Palm Desert, California, with, from left, Jennifer Wayne and Amber Del Crognale, both of Bond Services of California, LLC; Kara Skinner and Cameron Huntsucker of Integrity Surety LLC; and Jessica Krause of New Lyfe Accounting.

Hahn is doing her part to speed technology improvements. She is the tech point person in her department and is the liaison with some of its software vendors. She's worked with different sureties, reviewing their agency portal development platforms and letting them know what would be helpful to include from the agency standpoint. She's also been involved with most meetings of the RiskStream Collaborative, which is working with NASBP and other surety organizations and industry companies to develop a digital bonding platform.

It's important that new technologies are designed to work with the many different systems that companies in the surety industry are already using, Hahn said. "We need to make sure that we are building technology for the long term and to be flexible."

Technology has already impacted the industry in one major way. "Before the pandemic, we were all completely adamant that we could never work remotely because we had seals and paper bonds and needed notary stamps. But then the pandemic came, and they sent us home and closed the office: we figured it out," she said.

Remote work has benefited the industry because it enables companies to recruit outside of their geographic region and to offer more flexible schedules, she said. That makes the industry more attractive to potential employees, since a good work/life balance is very important to

today's job applicants. Hahn said Parker, Smith & Feek has taken advantage of this new capability, hiring some people with experience in surety to work fully remotely and retaining some employees who have moved out of the Seattle area.

Addressing Broader Industry Issues

Hahn lives in the Seattle area with her daughter, Penelope, a budding author who has self-published several books on Amazon. Hahn is active in several professional groups in the area, including the Surety Association of Washington, Women in Surety West Coast, and local commercial real estate groups. She also attends some meetings of the local chapter of the National Association of Women in Construction.

Hahn's appointment as Vice Chair of NASBP's Commercial Surety Committee in 2020 has provided her with a view into issues that are impacting surety on a national scale. One topic of widespread concern is the need to attract people to the industry and retain them, especially in light of the many senior people who will be retiring over the next 10 years. While it is incumbent on the people who have so much influence and expertise to bring as many young people into the industry as they can, she understands the sensitivity of long-term client relationships and the potential financial impact of transferring key accounts.



Hahn, center front row, graduated from the 2019 NASBP William J. Angel Level III School held that summer in Bellevue, Washington.

“We need to figure out as an industry how to make training new talent and building continuity in account handling a value-add for everybody involved. It’s hard to let a teammate start handling your favorite client and more so when your paycheck depends on keeping that client,” she said.

The surety industry is competing for talent with industries like finance, which have a “cool factor” that surety appears to lack. Hahn said the industry can benefit from informing job seekers and potential employees about the financial rewards and the exposure to people with cachet and influence that surety can offer.

Although companies in the industry usually prefer to hire people with some experience, “They should be prepared to hire newcomers, start training them, and know that they are going to be your diamonds five years from now,” Hahn said. Companies should also be open to people who don’t have business and finance backgrounds; they can make an organization stronger by diversifying the talent pool.

“We had referrals from our existing team members, people who had no surety experience but wanted to be

part of the company and wanted to learn. Those have been some of our most successful hires,” she added.

Hahn encourages people just coming into the surety industry to seek out and take advantage of the opportunities it offers. “Look for the elements of the industry that fit your idea of what a cool, long-term job looks like, because you can probably find it,” she said. An enthusiasm for learning and the willingness to become experts in new aspects of the industry will help them become successful.

While it’s sobering to realize that she and others in her generation will soon be the leaders of the surety industry, it’s also an incredible opportunity. “Now is the time to be curious and to ask questions and to take on projects and responsibilities while you have the support of people who have so much tenure and expertise,” Hahn said.

A surety career is rewarding on many levels, she added. “I think that people in surety are a fun and smart group with a lot of interesting experiences. Anytime you get together—whether it’s with people from Parker, the Surety Association of Washington, or NASBP—everybody has a good time and is excited to be there.” ●

The eighth
in a series of
occasional profiles
spotlighting surety
career paths.



Nelson captivating students with his anecdotes and instruction at the 2011 NASBP Construction Contracts and Bond Forms Workshop.

Steve Nelson: Seeing Surety from Many Viewpoints

STEVE NELSON, EXECUTIVE VICE PRESIDENT at Markel Surety, has a broad perspective on surety, shaped by the various roles he has taken on during his almost 50-year career.

A lifelong Texas resident, Nelson graduated from Southern Methodist University (SMU) in Dallas. He went on to SMU's law school, mostly because he couldn't figure out what to do with an economics degree.

His introduction to surety came when he worked part time for a small law firm during law school. "I gained a passing knowledge of mechanic's liens and payment bonds, as the firm had a number of construction industry suppliers as clients. By 'passing knowledge,' I mean that I knew where to file things at the courthouse and how to look up legal descriptions. I had only a vague idea how payment bonds worked."

When he was interviewing with firms for permanent employment, he more than "slightly embellished" that "passing knowledge" in his resume as "a working familiarity with various federal, state, and local bond statutes." That attracted the attention of Chuck McGuire, a well-known Texas surety lawyer. Until then, "Chuck had never come across a law student who could even spell 'bond,'" Nelson recalled. McGuire hired him immediately and,



From left, John Knox and Steve Nelson

after a year, told him that surety clients were his to develop “and don’t mess it up.”

Nelson, the first associate hired out of law school with the firm, remained with the Winstead firm in Dallas for almost 20 years. “By the time I left that firm, we were about 200 lawyers. I co-chaired a group of about 10 lawyers doing surety and construction law exclusively,” he said.

Embracing Mediation

During the early 1980s, Nelson was familiar with the growing interest of the courts and clients to find alternatives to litigation in resolving civil disputes. As a construction lawyer at the time, he had a vague idea how it worked. “I had visions of the mediator doing some sort of voodoo mind tricks to get construction lawyers to give up their secrets and best numbers,” Nelson said. Thinking that the best way was to learn more, he and a group of other construction lawyers

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found a mediation trainer and took a week of training.

"It was an epiphany for me. I could see how this process could result in earlier, less expensive, less contentious settlements of disputes, and save relationships in the process. I was hooked," he said.

"I think my surety background was a perfect springboard to mediation," he added. "We may not be exactly neutral in the surety claims process, but we are usually the peacemakers . . . not a lot different from what mediators do."

Nelson has done mediation work ever since and for 23 years taught a graduate level course on alternative dispute resolution (ADR) to graduate engineering students at the University of Texas at Austin. "It was my chance to share my passion for ADR with those future construction industry professionals," Nelson explained. "Some of it was lectures. Mostly, students would just take turns accompanying me to mediations and often come out wide-eyed about what folks in the industry get into fights about. I still help teach that course every year but have put one of my colleagues at Markel in a position to take over teaching that class and keep it going into the future," he said.

The Contractor's Viewpoint

By 1995 Nelson was burnt out with big law firm practice and wanted a change. He accepted an offer from Royce Faulkner, owner of Faulkner Construction, to become the company's CEO. His primary responsibility was to help Faulkner transition into retirement by selling the company. During his five years at the company, Nelson gained an entirely different view of surety.

"It didn't take me long to figure out that I didn't really understand how money is made and lost in the construction business," he said. "I also found that many of those clauses that I fought to change for my previous [construction] clients weren't the important ones, and that there were contract terms that I had never



2017-2018 NASBP President Howard Cowan presented the prestigious Bruce T. Wallace award to Nelson in 2018.

thought about that were even more important."

His experience of a surety's handling of a subcontractor default on one of the projects during his time at Faulkner was disappointing. "It was a slow, frustrating experience, unnecessarily complicated with lawyers. I think what bothered me most was that the surety hadn't done anything differently than I had done in my prior practice," he said. "I really don't think I would have liked Steve Nelson if he had been handling my claim. That really did have a profound influence on me and how I tried to handle claims when I later got into the surety business."

Growing a Surety

After Faulkner was sold, Nelson accepted an offer from John Knox, a former client, to join Knox in building a new surety, SureTec Insurance Company. (It was later acquired by Markel Corporation and rebranded as Markel Surety.) The company started with a charter, minimal capitalization,

some reinsurance and, when Nelson joined, had written only one bond. By the time Knox retired, the company was in the top 20 surety companies in the U.S. in written premium and was a very profitable product line for a Fortune 500 company.

Until recently, Nelson headed the company's claims department, growing and mentoring a team of claims professionals. "I did my best to cultivate a claims philosophy that added value to our product, treated our principals and our claimants fairly and with respect, and was better than what I had seen back when I was a claimant," he said.

One of his goals was to work himself out of a job, turn it over to the next generation, and then find something else meaningful to do. In February 2024, Tracey Haley took over as head of surety claims at Markel, and Nelson is back on the executive management side of the company.

He now oversees the firm's fee-generating businesses, including ADR services to third parties.

"I spend most of my time as a mediator now. I get called on by contractors, subcontractors, other sureties, and the lawyers who represent them, to assist those construction and surety companies resolve complex surety, construction, and construction defect disputes. It's an unusual service to be provided by a surety, but it has worked well, generating both fees and friends."

Industry Advocate

Nelson had an early interest in the legislative process in Texas.

"State laws have a great impact on contractors and sureties," he said. "I got interested in the legislative process early in my law career when a bill was introduced that would have radically changed, for the worse, I thought, the financial risks of contractors and their sureties to downstream suppliers and subcontractors. Every legislative session that I can remember over the last 40-plus years has had bills introduced that would change the risks of construction and bonding, often in a fashion that was not in the best interest of our industry."

He first testified before a legislative committee in opposition to one such bill on behalf of the Dallas Associated General Contractors (AGC) chapter. He then got involved on the state level of the AGC, chairing the legislative committee and testifying for and against bills that affected the industry at nearly every session of the Texas legislature.

AGC of Texas made Nelson Chair Emeritus after 20 years of service. He remains active in following the bills of interest to the industry and continues to advocate occasionally at legislative committee hearings.

Working with NASBP Members

Nelson had been speaking on surety law topics at NASBP regional meetings and at several local surety associations long before he joined Markel. He explained, "With a new start-up company in 2001, John and I knew that 80% of our market would likely be with the professional surety bond producer members of NASBP. John was always thinking outside the box on what the

surety product should look like and how it should be delivered. We're an industry that embraces change slowly. Some of the local producers were a little apprehensive about embracing SureTec, at first. We earned their trust in short order, and to this day, the professional producer members of NASBP make up a very high percentage of our business." Among his activities with NASBP, Nelson spent 11 years teaching a course on claims at the NASBP Surety School, discussing claim philosophy, onerous bond forms, construction contracts, and ADR.

"I'm proud of the company we have built and our contributions to NASBP and its members. The relationship has always been mutually beneficial," Nelson said.

NASBP honored Nelson in 2018 by presenting him with the prestigious NASBP Bruce T. Wallace Award, given to an individual who has distinguished himself or herself through years of exceptional service to NASBP and to the surety industry. "I was greatly honored to receive it," he said.

Using the Right Tools

Nelson has enjoyed many aspects of his surety career, especially the memorable people he has met along the way. Those include "some of the brightest business minds and some of the most interesting people I've ever worked with," he said.

"It's a shame that it's so difficult to hire young people into this business; if they only knew what fun we have and what great people we get to work with in the surety business and with the construction clients we bond," he said.

Nelson is not ready to retire. "I enjoy what I am doing and am likely to keep doing it in some form or fashion as long as my mind and health permit." But his activities are not confined to surety. He and Betsy, his wife of 53 years, have four children, eight grandchildren, and four dogs. They travel a lot. He's also an amateur genealogist who has helped hundreds of friends and coworkers find their roots.

For now, Nelson continues to enjoy his opportunity to apply everything that he's learned throughout his career to benefit his clients in the surety and construction industries.

"Early in my law career, I saw every problem as something to be solved with litigation. Back then, it was the only tool taught in law school. When I started in construction, I thought better contracts could fix everything. In surety, I believed better bonds and controls were the answer. In mediation, I've seen people label issues as legal, contract, financial, or engineering problems and apply their usual solutions instead of seeing them as people problems," he said. "The psychologist Abraham Maslow was right: if you only have a hammer, everything looks like a nail. Over-relying on one tool or way of thinking can be unhelpful or even harmful. Now I try to add more tools to my toolbox and avoid labeling problems based primarily on the solutions I'm familiar with." ●

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