



**National Association of
Surety Bond Producers**

Information Technology Survey Results

2008

Introduction

The Automation and Technology Committee of the National Association of Surety Bond Producers (NASBP) designed the *Information Technology Survey* with a goal of examining technology trends by NASBP members. In this second edition, the 2008 survey compares results and discovers trends among our respondents. NASBP is an international organization of professional surety bond producers and brokers, representing over 5,000 personnel who specialize in surety bonding, issuing bid, performance, and payment bonds for the Nation's construction projects and other types of surety bonds for guaranteeing performance, such as license and permit bonds.

The following survey results provide valuable insight into the technology and business practices of NASBP members.

Methodology and Definitions

Methodology

The 2008 *Information Technology Survey* is the second information technology survey conducted by the National Association of Surety Bond Producers (NASBP).

The online survey was distributed to 426 member key points of contact at NASBP Member agencies. For purposes of this study, agency size is determined by annual premium volume. There were a total of 111 responses, or a 26% response rate. Sixteen percent of the respondents have projected annual surety premiums of less than \$1,000,000; twenty-eight percent had projected annual surety premiums of between \$1,000,000 and \$3,000,000; and fifty-six percent had projected annual surety premiums of over \$3,000,000.

For more information on NASBP's *Information Technology Survey* and the Automation and Technology Committee's work, please contact Dave Golden, Technology Manager, at dgolden@nasbp.org.

Definitions

A complete alphabetical listing of definitions can be found at the end of the survey on page 20.

Executive Summary

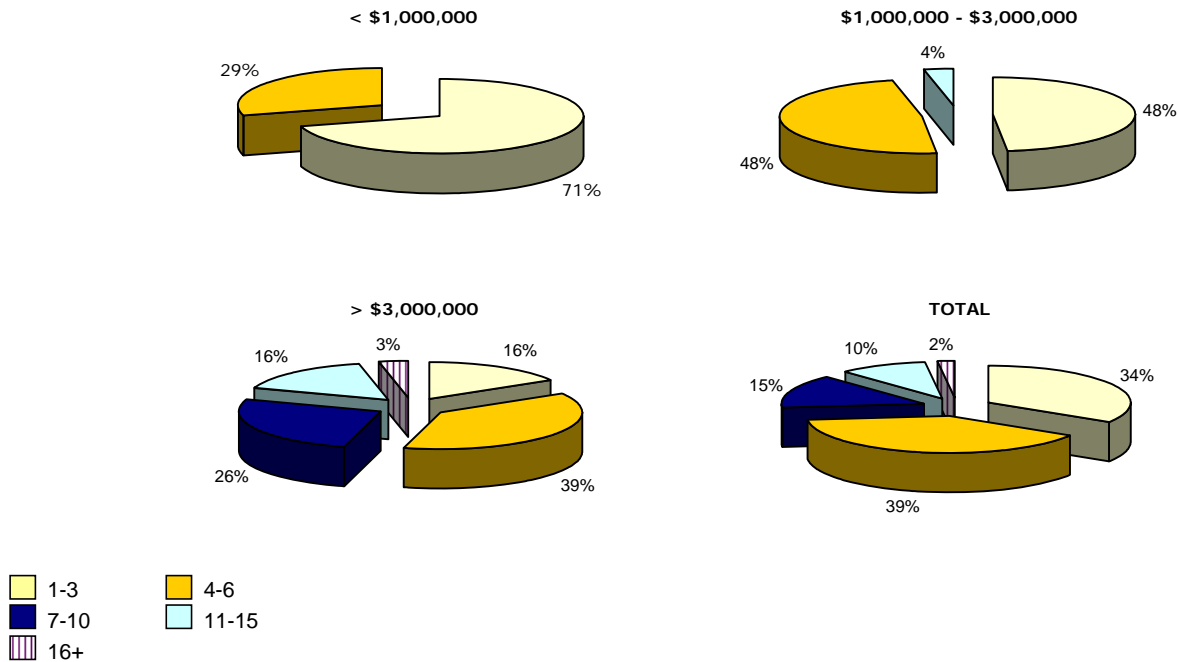
- Two-thirds of the respondents plan to spend about the same amount of money on IT in 2009 as they did in 2008. Almost one-quarter (22%) of small agencies plan to spend more in 2009.
- Over half (53%) of agencies are using Microsoft Windows Server (2003 or 2008), and another 19% of agencies are using Microsoft Small Business Server (2003 or 2008). A Unix®-based server is being used in 16% of mid-sized agencies. The cost of a Unix®-based operating system is minimal compared to a Microsoft operating system.
- Only 25% of agencies require e-mail encryption measures to enhance privacy when sending e-mail. Smaller agencies more frequently mandate security measures than medium to larger agencies.
- For those using encryption, half of the respondents indicated they were encrypting their e-mail using password-protected attachments. While more secure than sending documents without a password, this method falls short of the security offered by many e-mail specific third party applications and services. Half of large agencies use a third party web application/service to encrypt their e-mail. The number of agencies relying on a third party web application/service has more than doubled from 14% in 2007 to 32% in 2008.
- As surety premiums increase, the percentage using an agency bond processing system increases. Of those using a bond production system, more than one-third (34%) are using Insurevision: SurePath®.
- The results indicate 79% of the respondents have gone paperless or plan to move in that direction.
- More than half of the survey respondents indicated they are using the NASBP Producers Tool Kit Forms.
- Almost half (47%) of the survey respondents are using virtual/online learning tools for professional development.
- Over one-third (35%) of small agencies have an individual dedicated to information technology on staff.
- Nearly half (48%) of respondents indicated agencies use a Blackberry® to access e-mails outside their office. Nearly the same amount (49%) indicated they use remote access for their office PC, via Citrix, Remote Desktop, or other remote access software.
- A total of 41% of respondents indicated a combination of internal and external resources are used to maintain their web site. Agencies with less than \$1,000,000 in annual surety premiums are more likely to use an external resource for web hosting or development.
- In 2008, 90% of the respondents use an agency management system compared to 88% in 2007. The most frequently used agency management systems are AMS Sagitta®, AMS AFW/360®, Applied WinTAM®, and Applied TAM®.
- More than half (51%) of the respondents indicated their agency has been involved in processing an electronic surety transaction.
- Respondents reported regular use of the following web sites: AM Best ratings site, the U.S. Federal Treasury listing site, state-specific corporation search sites, various surety company online forms libraries, various obligee sites including the state DOT sites, and construction industry activity sites including McGraw-Hill Dodge Reports, BIDServive Daily, and Construction Summary.

Survey Findings

The survey results have been categorized by annual surety premiums: < \$1,000,000; \$1,000,000 - \$3,000,000; and > \$3,000,000.

Agency Profile

Number of Surety Personnel



There is a correlation between agencies' annual surety premiums and the number of surety personnel. This year respondents with annual surety premiums of \$1,000,000 and greater indicated they had more surety personnel in their office than last year. Agencies with annual surety premiums of fewer than \$1,000,000 reported they had less surety personnel.

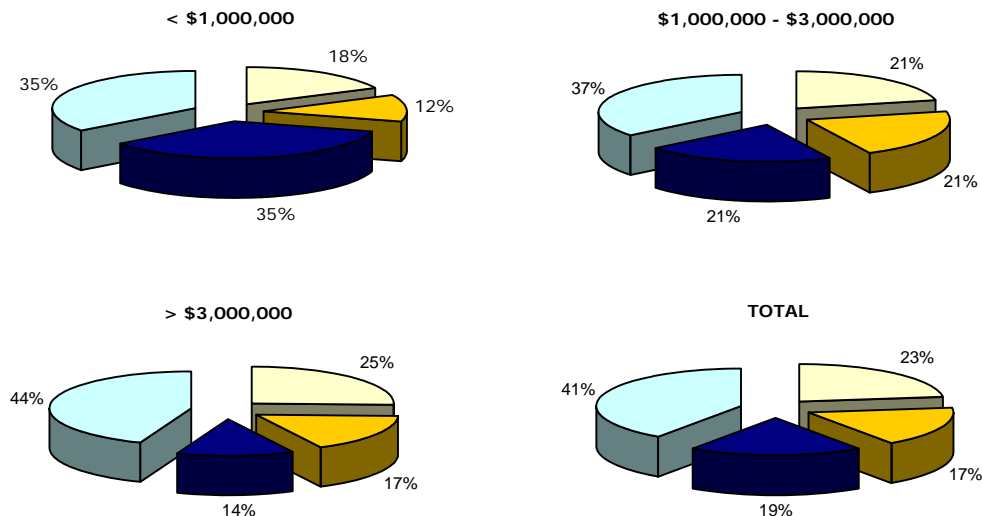
Number of Licensed Surety Personnel as a Percentage of all Surety Personnel

Agency Size	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000
1-3	100%	100%	100%
4-6	80%	40%	96%
7-10	0%	0%	100%
11-15	0%	100%	40%
16+	0%	0%	50%

Agencies with 1-3 agents indicated all of their agents were licensed.

Technology Environment

How does your company handle your information technology needs?



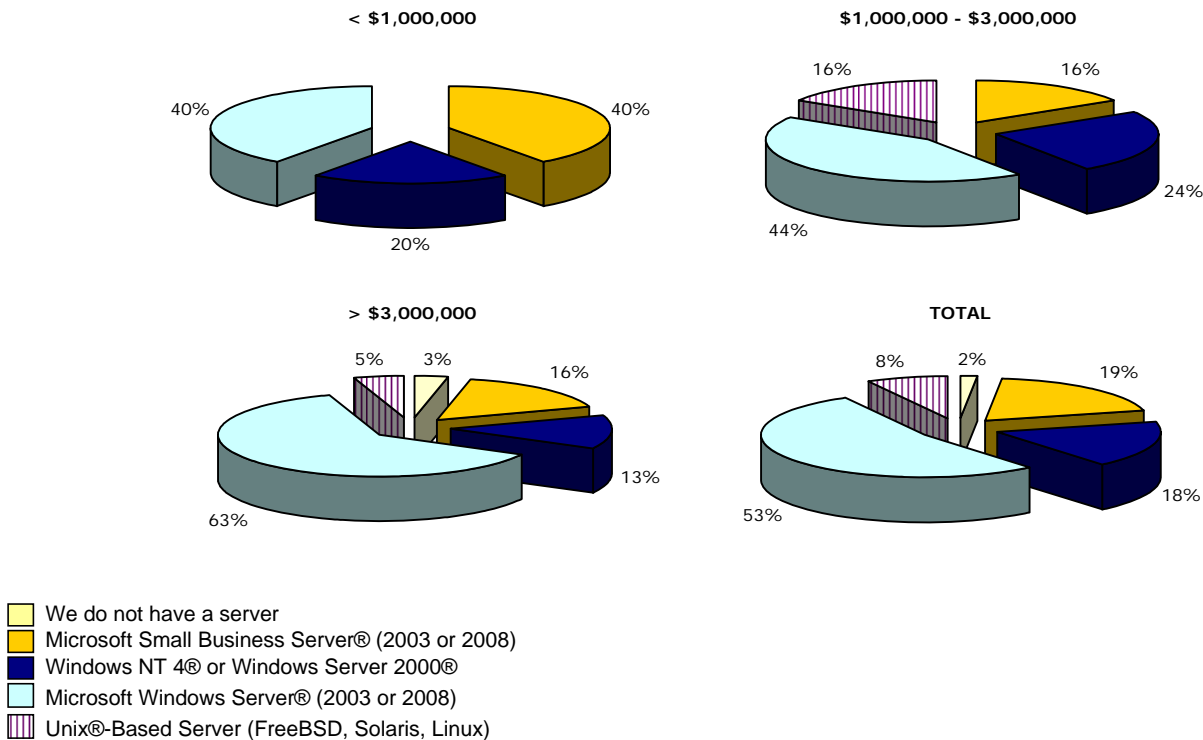
- We outsource all of our IT services.
- We have an individual who has other responsibilities handle our IT needs.
- We have an individual dedicated to information technology.
- We have an Information Technology Staff (more than one employee dedicated).

A total of 60% of the respondents have at least one person on staff dedicated to information technology. Nearly a quarter (23%) of all respondents indicate they outsource all IT services.

Which operating systems are installed on your desktops and laptops?

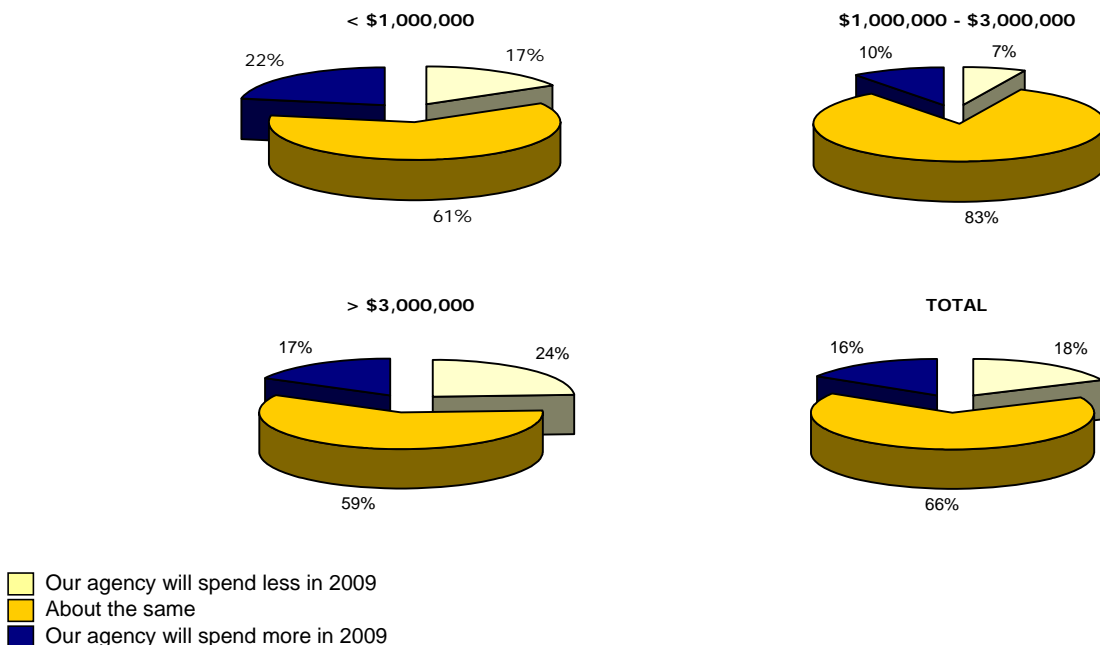
Nearly all (91%) of the respondents are using Windows XP® as their operating system. For those agencies not using Windows XP, more agencies (7%) are using older versions of Windows (98®, ME®, and 2000®) in comparison to those that are upgrading to Windows Vista® (1%).

Which type of server technologies does your agency use?



Over half (53%) of agencies are using Microsoft Windows Server (2003 or 2008), and another 19% of agencies are using Microsoft Small Business Server (2003 or 2008). A Unix®-based server is being used in 16% of mid-sized agencies. The cost of a Unix®-based operating system is minimal compared to a Microsoft operating system.

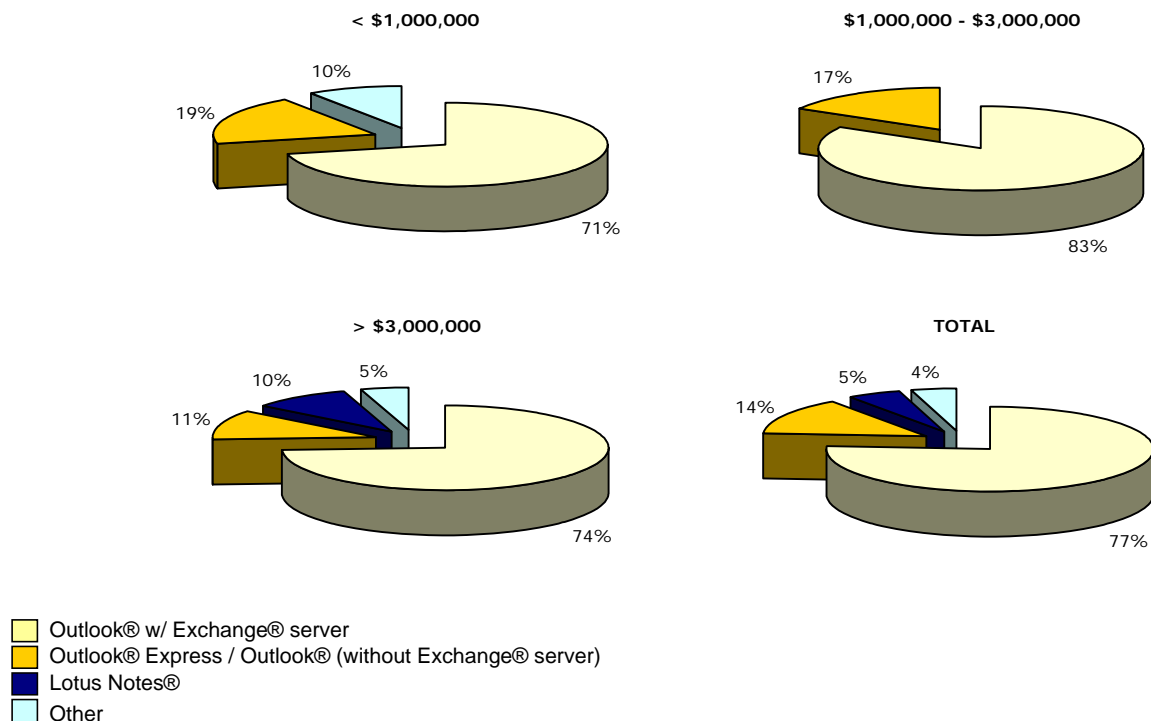
How much do you anticipate spending on IT in 2009 compared to 2008?



Two-thirds of the respondents plan to spend about the same amount of money on IT in 2009 as they did in 2008. Almost one-quarter (22%) of small agencies plan to spend more in 2009.

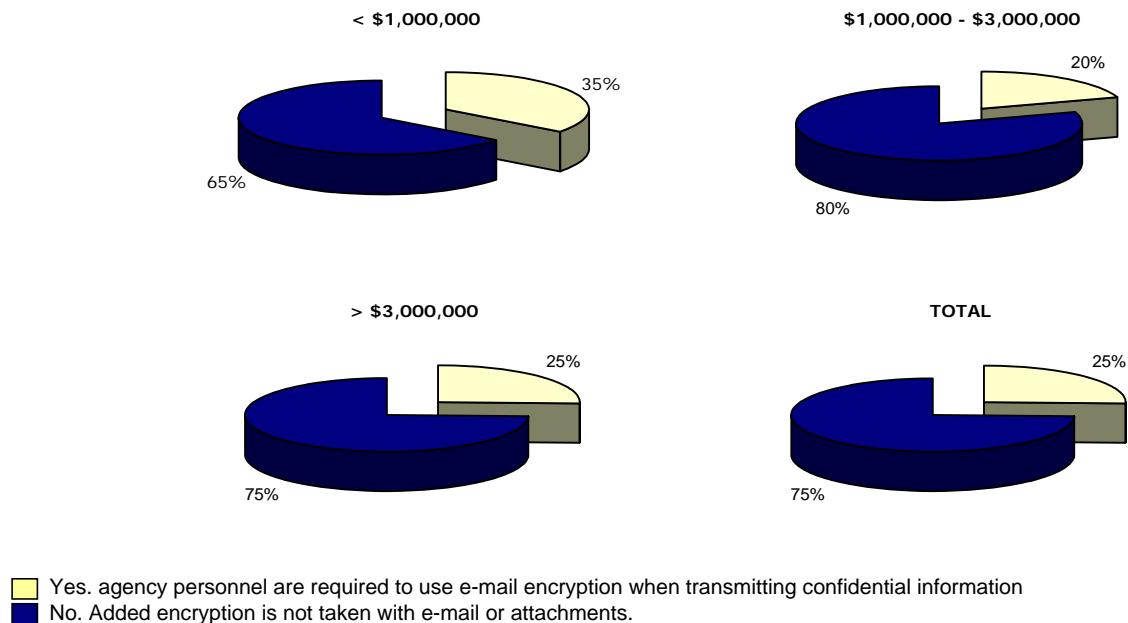
E-mail and Remote Access

Which e-mail system(s) does your agency use?



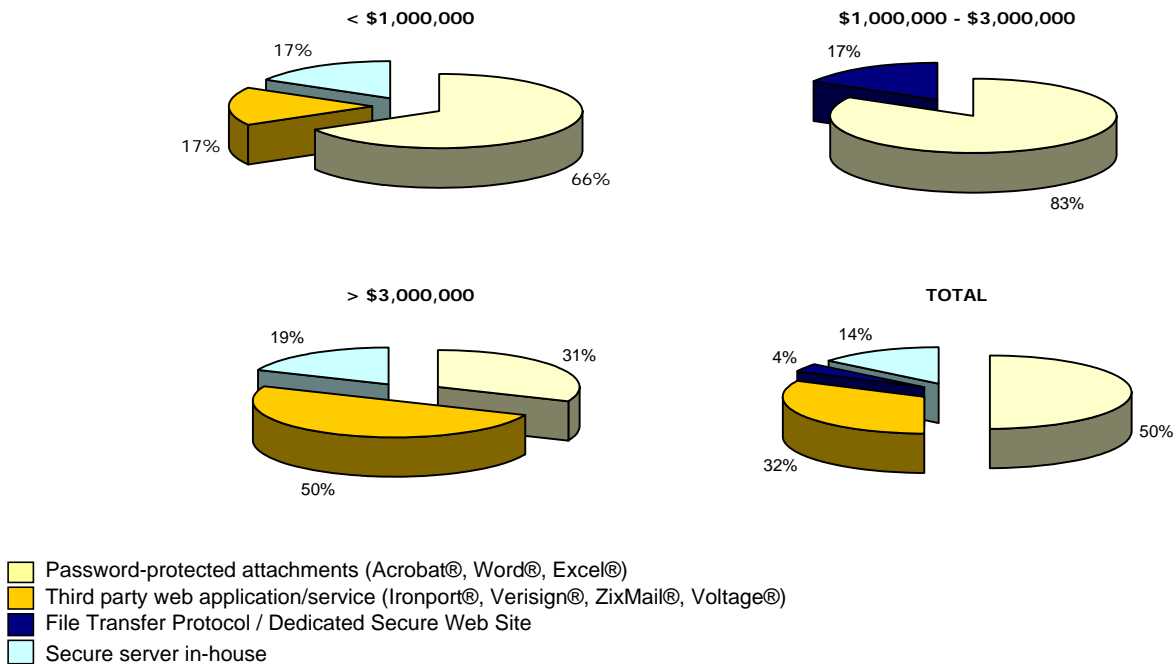
Over 90% of the respondents use Microsoft Outlook® for their e-mail system and more than three-quarters of respondents (77%) indicated they are using Outlook® w/ Exchange® server. Other responses included: External solutions (AOL, Hotmail, Gmail, Yahoo!, etc.), and Groupwise. In 2007, 92% of the respondents used Microsoft Outlook® and 72% indicated they were using Outlook® with Exchange® server.

Does your agency require any added e-mail encryption measures to enhance privacy when sending confidential information?



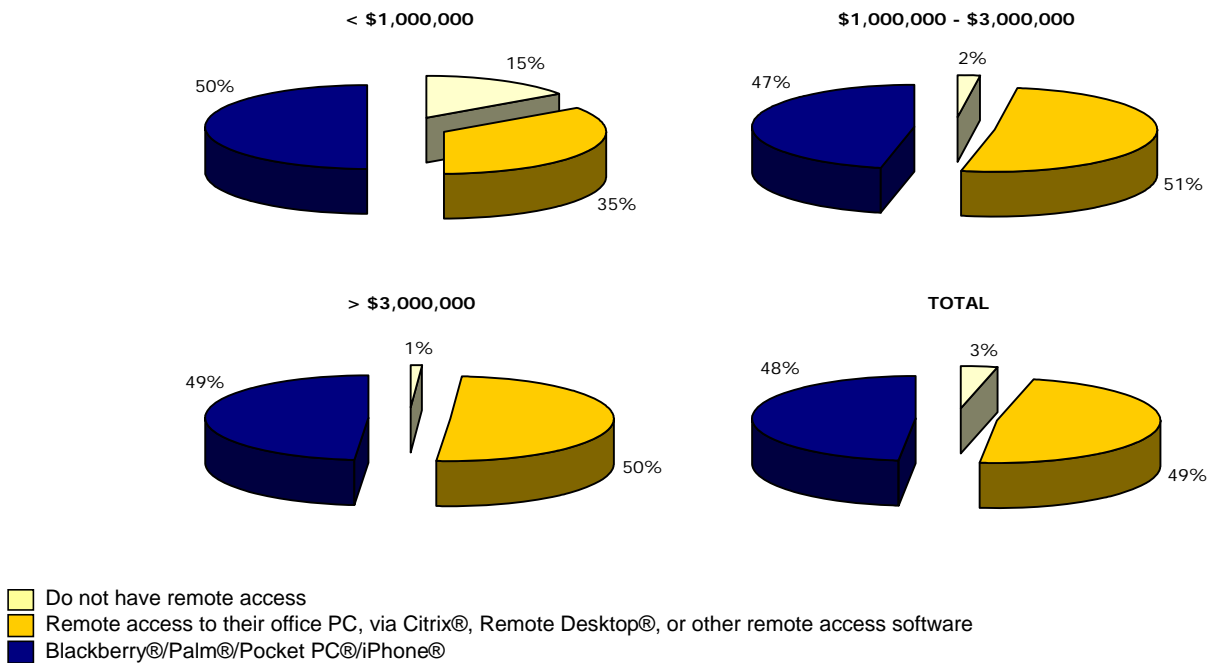
Only 25% of agencies require e-mail encryption measures to enhance privacy when sending e-mail. Smaller agencies more frequently mandate security measures than medium to larger agencies.

If yes, how do you encrypt your e-mail?



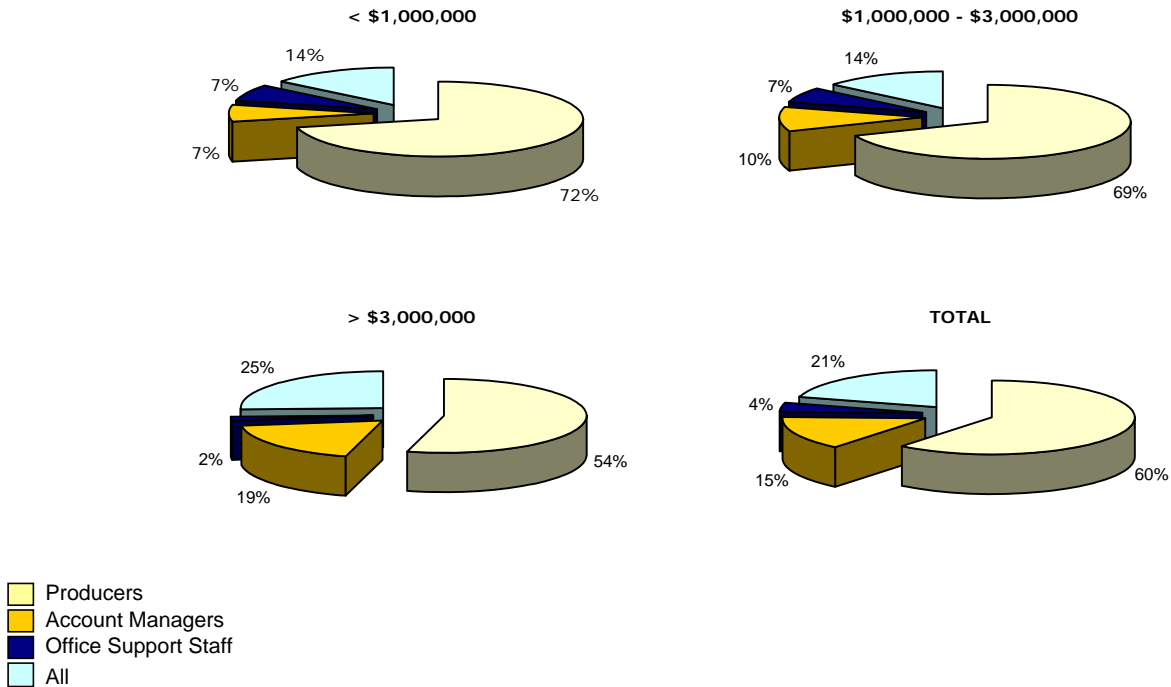
For those using encryption, half of the respondents indicated they were encrypting their e-mail using password-protected attachments. While more secure than sending documents without a password, this method falls short of the security offered by many e-mail specific third party applications and services. Half of large agencies use a third party web application/service to encrypt their e-mail. The number of agencies relying on a third party web application/service has more than doubled from 14% in 2007 to 32% in 2008.

How do your employees remotely access the e-mail system?



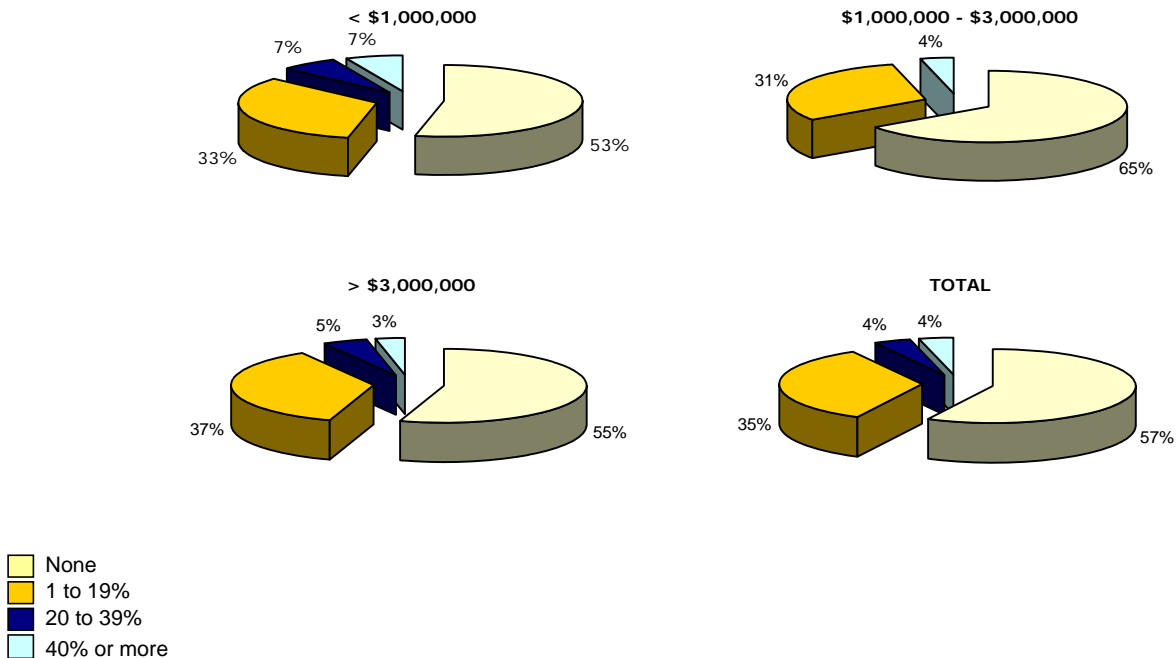
Nearly half (48%) of respondents indicated agencies use a Blackberry® to access e-mails outside their office. Nearly the same amount (49%) indicated they use remote access for their office PC, via Citrix, Remote Desktop, or other remote access software.

Which staff members are most likely to access their system remotely?



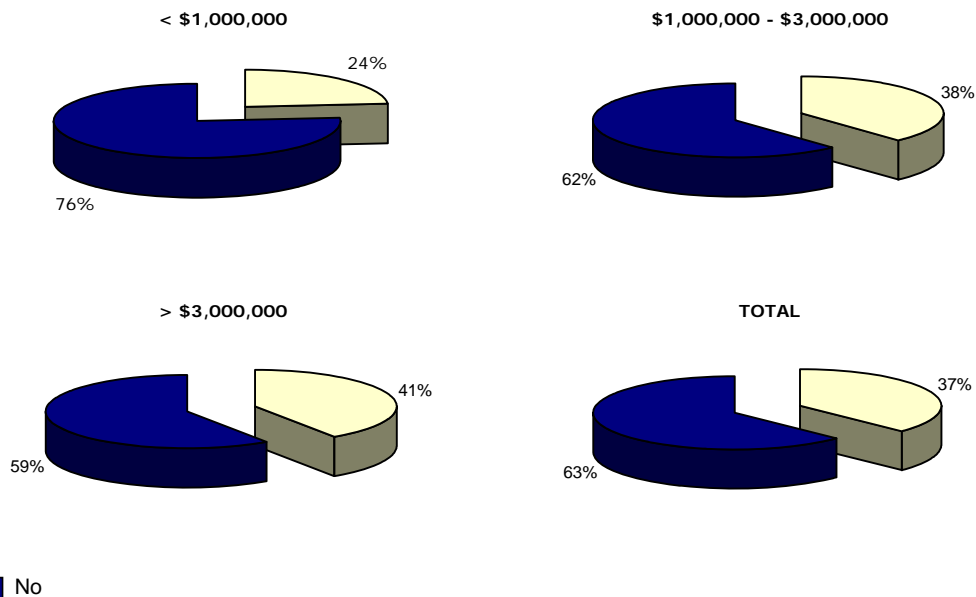
More than half (60%) of the respondents indicated Producers were most likely to access their system remotely.

What percentage of your employees are telecommuting?



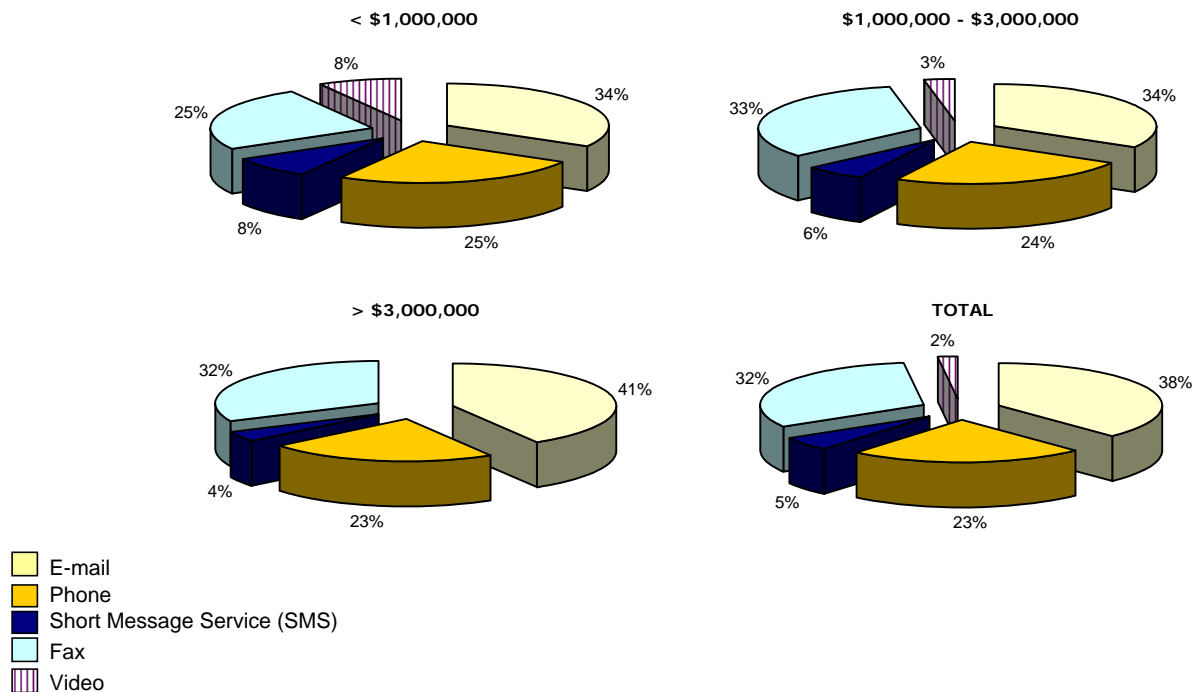
A total of 43% of respondents reported that their employees were using some form of telecommuting.

Is your agency doing any unified messaging?



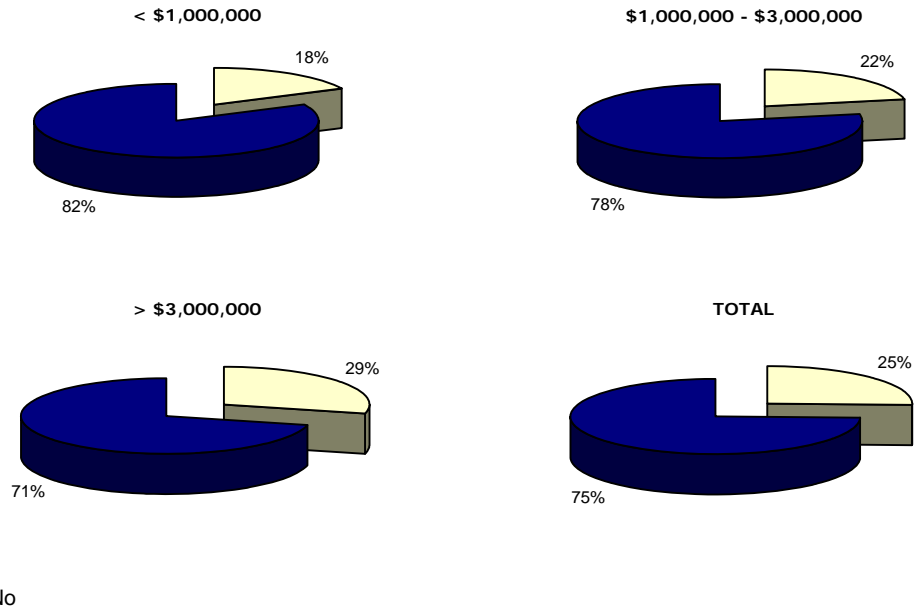
The results indicate that 37% of respondents have implemented unified messaging. Unified messaging is gaining popularity as 31% of respondents indicated they used this technology in 2007.

If you are using unified messaging, which of the following services are integrated?



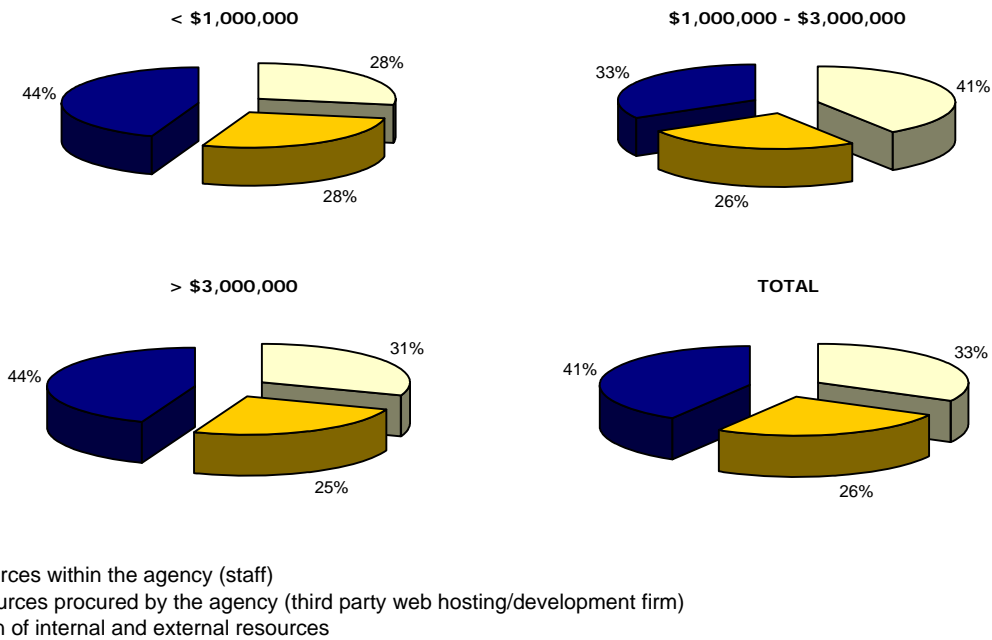
Of the respondents indicating they have implemented unified messaging, the three services most commonly unified are E-mail (38%), Fax (32%), and Phone (23%).

Is your agency using any other web browsers besides Internet Explorer®?



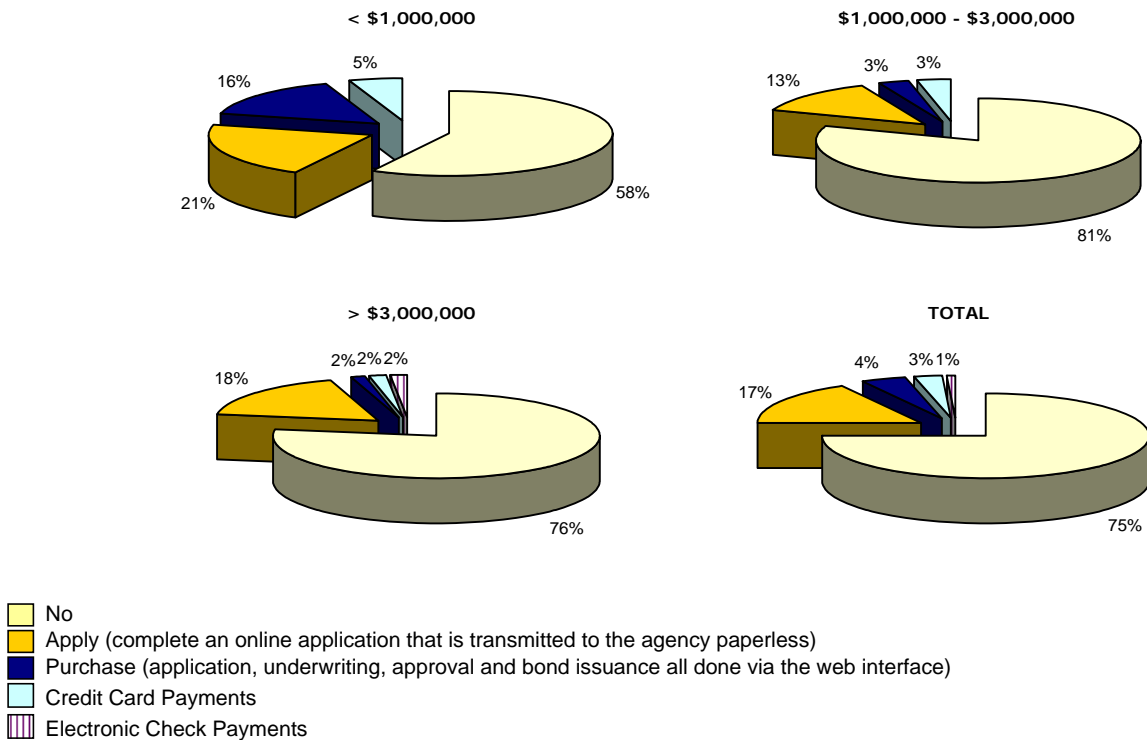
One-quarter of the survey respondents indicated they are using other web browsers besides Internet Explorer®. These web browsers include Mozilla Firefox® and Apple Safari®.

Who maintains your agency web site?



A total of 41% of respondents indicated a combination of internal and external resources are used to maintain their web site. Agencies with less than \$1,000,000 in annual surety premiums are more likely to use an external resource for web hosting or development.

Can customers actually apply for, purchase, or pay for bonds via your web site?



Three-quarters (75%) of the respondents do not offer the ability to apply for, purchase, or pay for bonds on their web site.

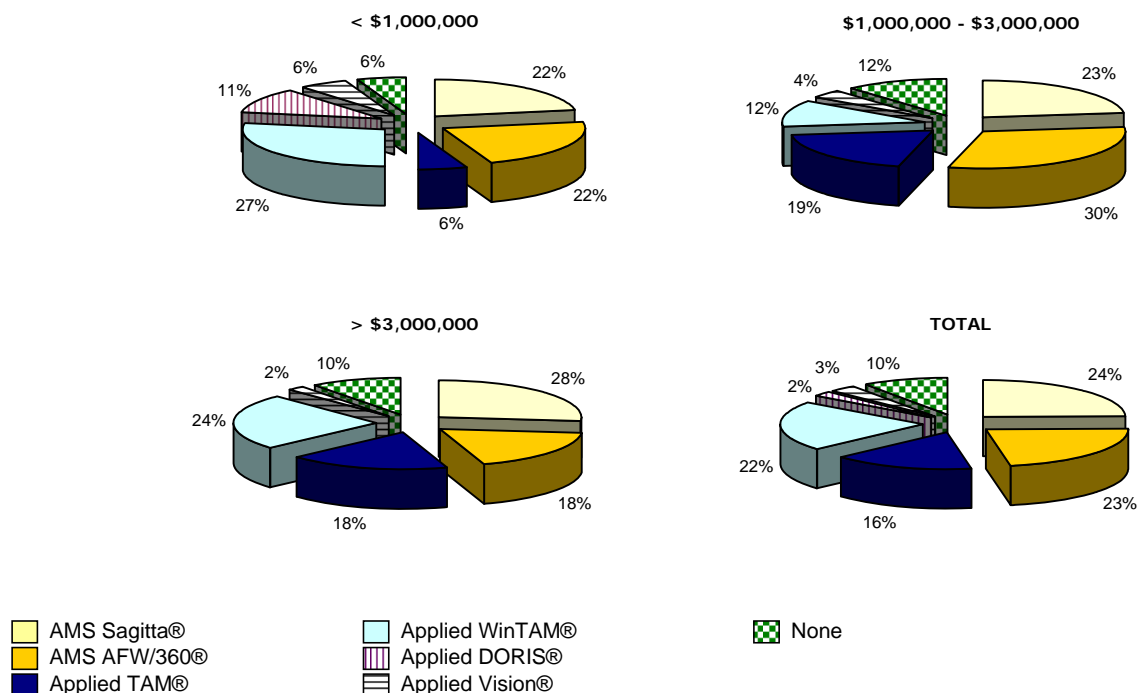
Which technologies have you integrated with your web site?

	≤ \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	TOTAL
Database	4	5	10	19
RSS feeds	2	1	3	6
Online forms	9	9	25	43
E-Commerce	1	0	3	4
Content Management System	3	1	5	9
Google Maps®	6	3	13	22
Web services / XML	0	2	8	10
Bond processing system	2	0	4	6
Video/audio recordings	1	3	1	5

The most popular technology implemented on the respondents' web sites is Online forms. Other emerging web technologies used by agents include Google Maps®, Databases, and Web Services / XML.

Agency Management

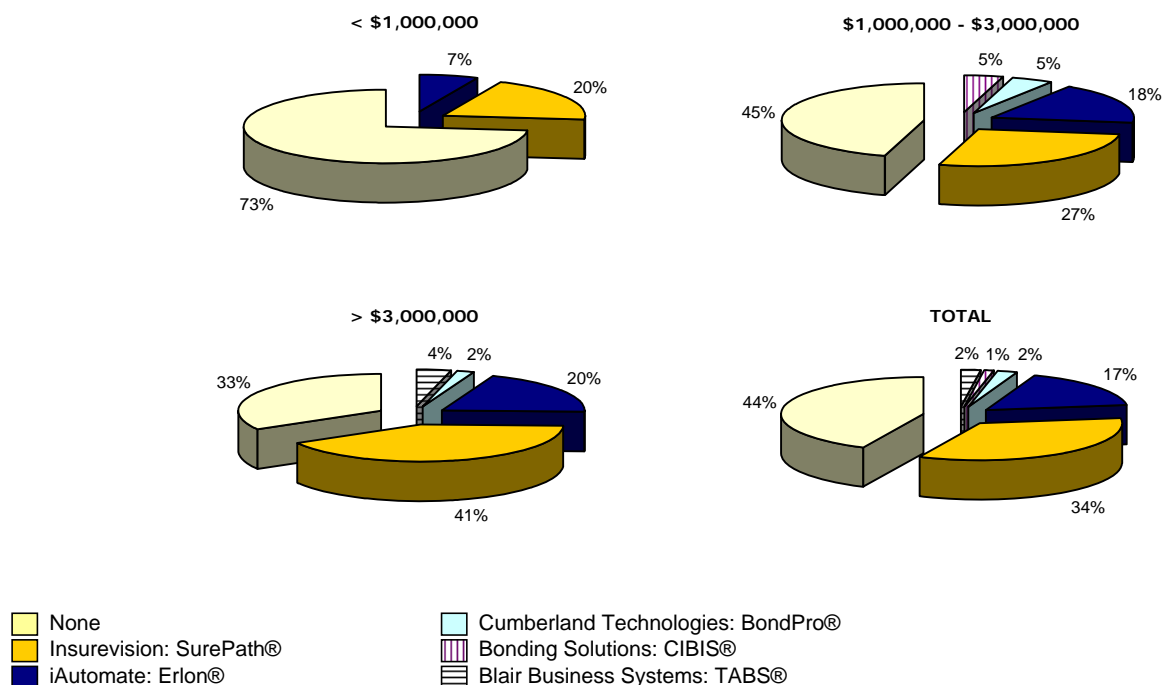
Which agency management system do you use?



In 2008, 90% of the respondents use an agency management system compared to 88% in 2007. The most frequently used agency management systems are AMS Sagitta®, AMS AFW/360®, Applied WinTAM®, and Applied TAM®.

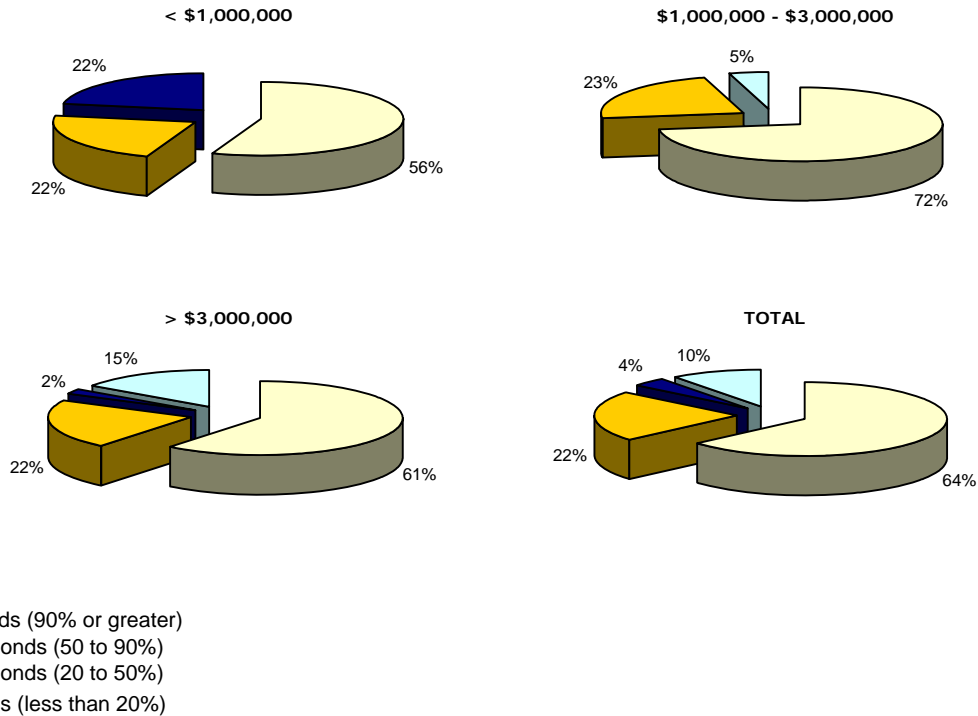
Bond Processing and Reporting

Which agency bond production system do you use?



As surety premiums increase, the percentage using an agency bond processing system increases. Of those using a bond production system, more than one-third (34%) are using Insurevision: SurePath®.

What percentage of bonds are prepared using your bond system?



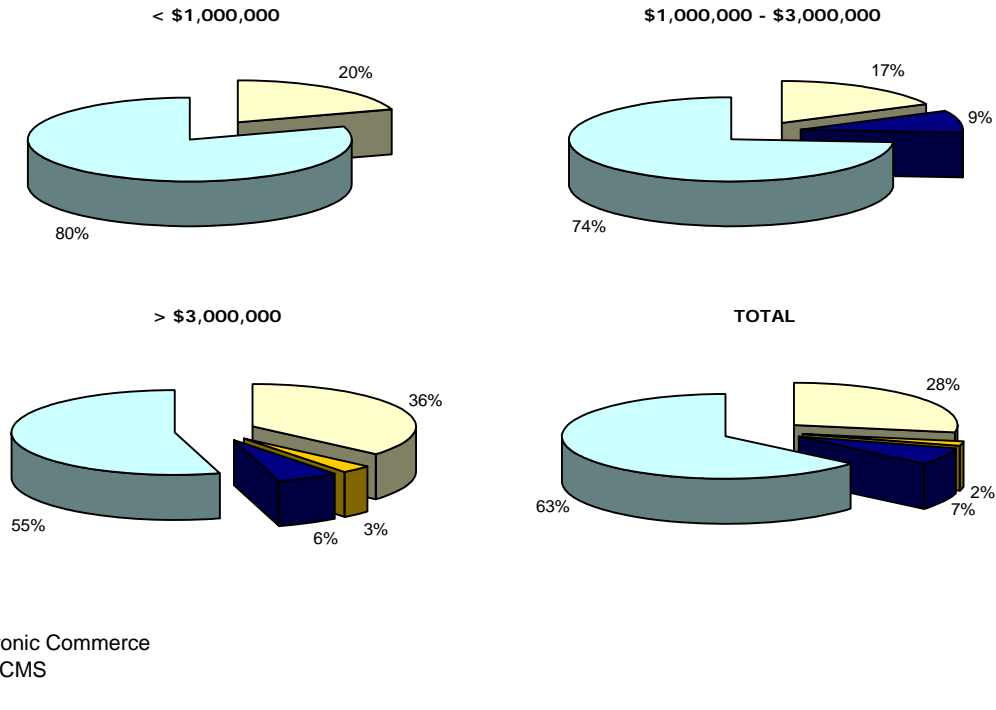
Of the respondents that use a bond production system, almost two-thirds (64%) produce nearly all bonds (> 90%) using that system.

If your agency uses surety-enabled bond systems, which systems are used most?

	< \$1,000,000	\$1,000,000 - \$3,000,000	> \$3,000,000	TOTAL
Capitol Indemnity®	1	0	2	3
CNA bONDLINE™	8	12	19	39
Great American Bonds Agent Extranet®	1	1	6	8
Hanover The Agency Place (TAP)®	2	1	3	6
Hartford 1Step Surety®	6	7	24	37
HCC Surety Online (HCCSO)®	2	1	12	15
Insko®	4	1	9	14
Liberty Mutual Surety Solutions®	3	2	11	16
Merchants™	4	3	14	21
Old Republic Surety Company®	5	7	18	30
Safeco Online®	4	6	16	26
Selective eSurety®	1	1	5	7
Suretec Surequick®	0	0	5	5
Travelers BondExpress®	8	10	17	35
United Fire ufgBonds®	1	0	1	2
West Bend Connect®	0	1	1	2
Zurich Surety Express™	5	9	16	30

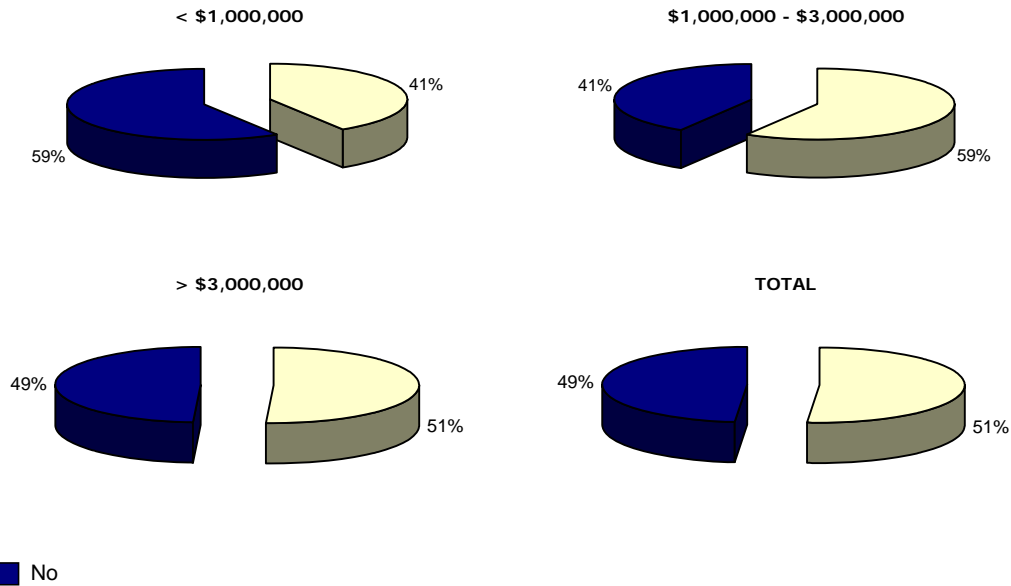
Of the respondents that use a bond production system, the systems used most include: CNA bONDLINE™, Hartford 1Step Surety®, Travelers BondExpress®, Old Republic Surety Company® and Zurich Surety Express™.

Does your agency participate/use any of the following bond-related systems?



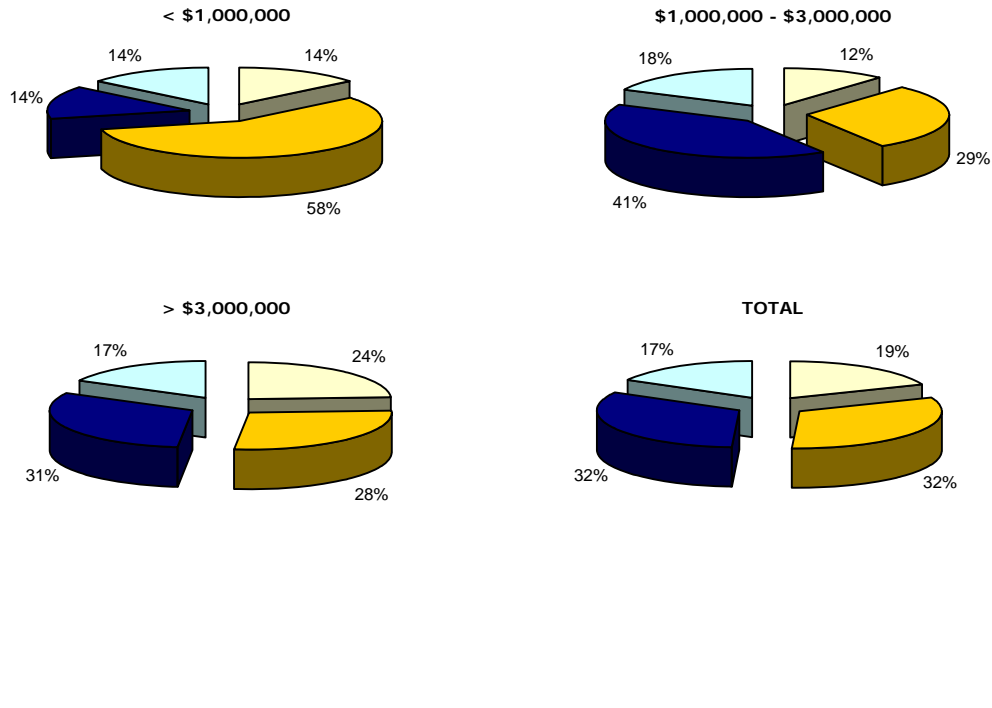
Almost two-thirds (63%) of the respondents use Surety 2000®. Agencies with higher annual surety premiums are more likely to use BidExpress.

Has your agency been involved in processing an electronic surety transaction?



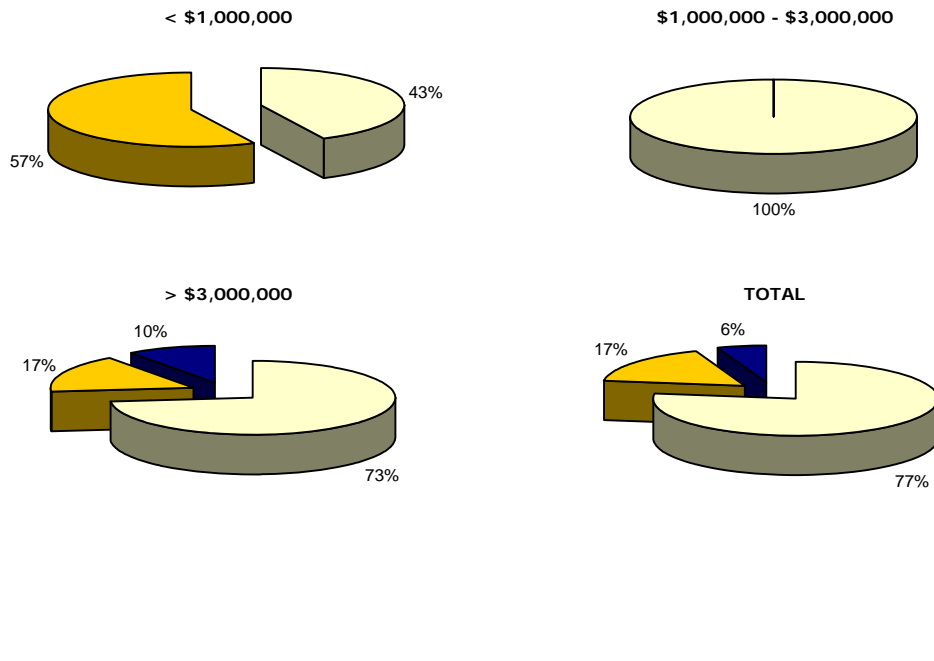
More than half (51%) of the respondents indicated their agency has been involved in processing an electronic surety transaction.

If yes, about how many times in the last year?



Less than a quarter (17%) of the respondents have processed over 100 electronic surety transactions in the last year.

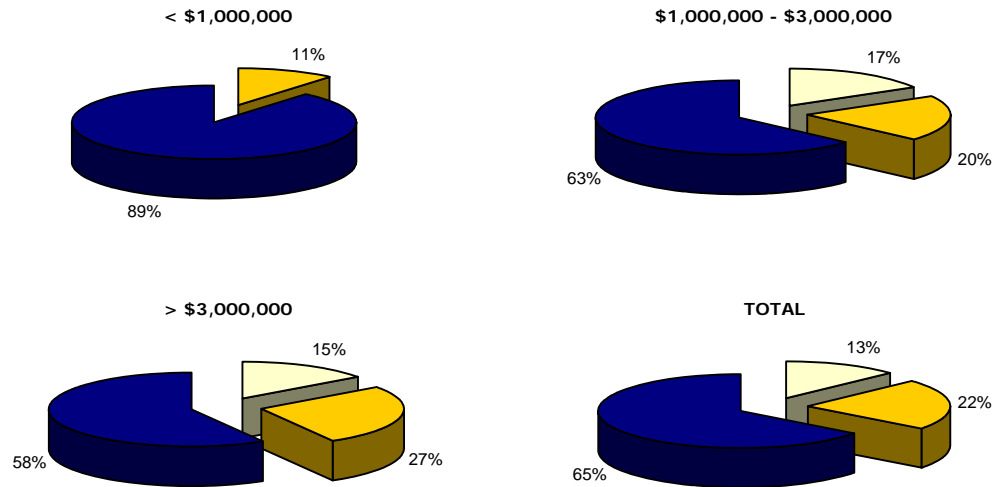
If yes, with how many different obligees?



More than three-quarters (77%) of the respondents processing an electronic surety transaction did so with fewer than five different obligees.

Document Management

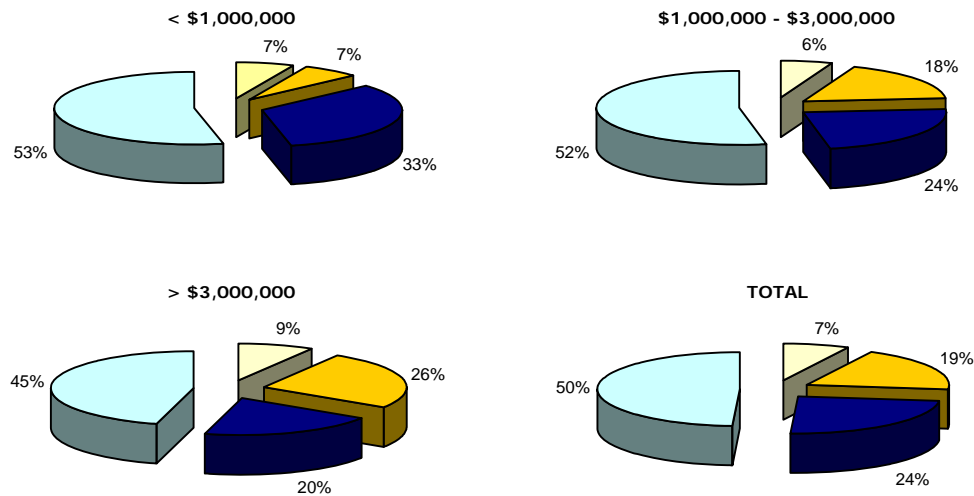
Does your agency use a document management system? If so, is it integrated with your bond production system?



- Yes. We use a document management system and it is integrated with our bond production system.
- Yes. We use a document management system but it is not integrated with our bond production system.
- No. We do not use a document management system.

Slightly more than one-third (35%) of the respondents are using a document management system. For small agencies, only 11% use document management systems.

If you do not use a document management system, are you planning on using one?



- Yes, within 6 months
- Yes, within 6 months to a year
- Yes, one year or later
- No

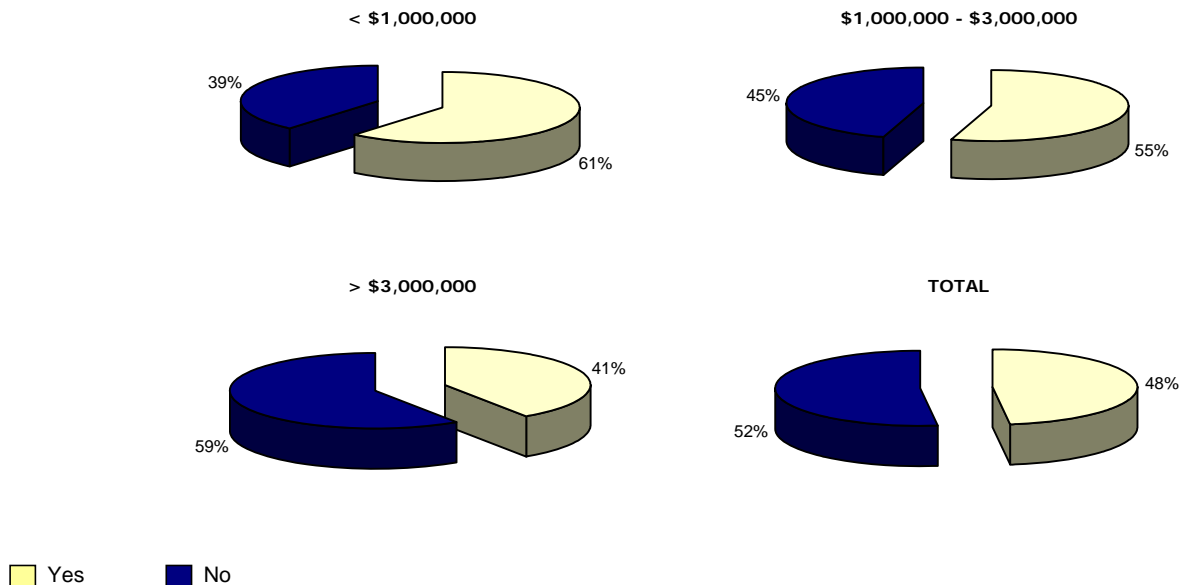
Half of the respondents (50%) are not planning to implement a document management system. Almost a quarter (24%) are planning to use it in one year or later.

If you are using a document management system, who is your vendor?

Most respondents indicated they are using the Paperwise Suite solution (by Paperwise, paperwise.com). Other document management system solutions reported in use, in alphabetical order, include:

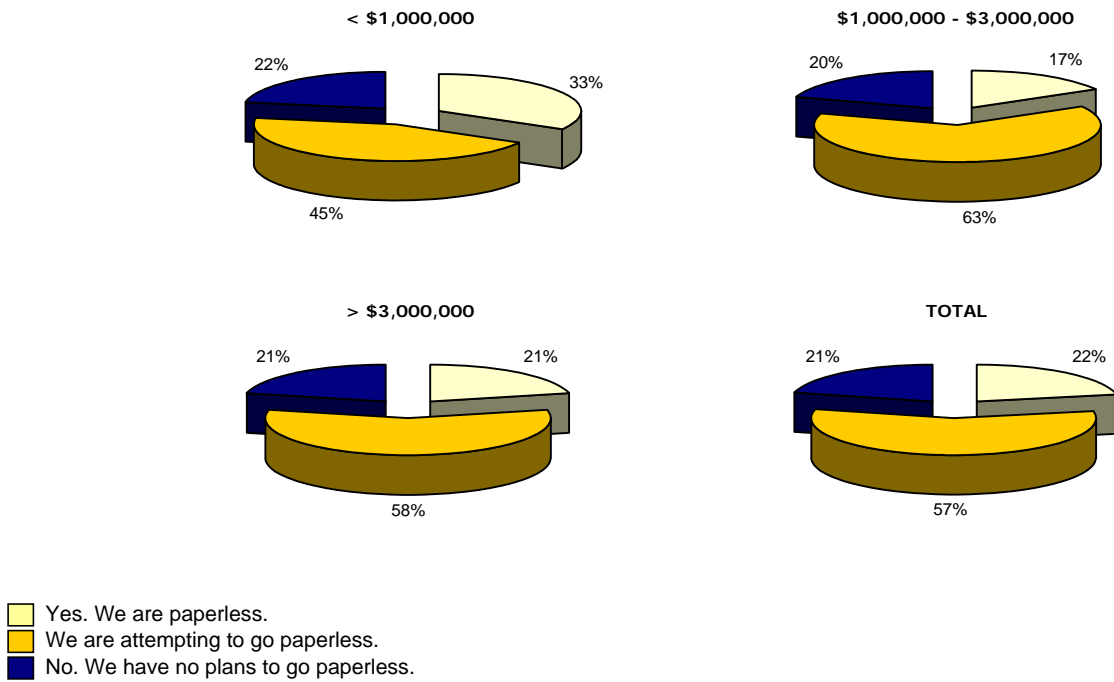
- Accuraimage (by Lumtron Technologies, lumtron.com)
integrates with Agency Management Systems: Sagitta, AMS 360, AFW, Prime, TAM, Vision, XDimensional:Nexsure
- CBDDoc (by Imageright/Vertafore, formerly Computers by Design, cbdi.com)
integrates with Surepath by InsureVision
- docSTAR (by Astria Solutions Group, docstar.com)
- Document360 (by AMS, amsservices.com)
- etfile (by etfile, formerly Apres, etfile.com)
- iChannel (by Blue Goose, bluegoose.us)
- ImageRight (by ImageRight/Vertafore, imageright.com)
- OnBase (by Hyland software, onbase.com)
- Paperport (by Nuance, nuance.com)
- Ricoh Document Solutions (by Ricoh, ricoh-usa.com)
- Sharepoint (by Microsoft, office.microsoft.com)
- TAM (by Applied Systems, appliedsystems.com)
- TreenoGCM (by Treeno software, treenosoftware.com)
- Vision (by Applied Systems, appliedsystems.com)

Do you receive some of your paper-based (FedEx/UPS/DHL/USPS) mail electronically?



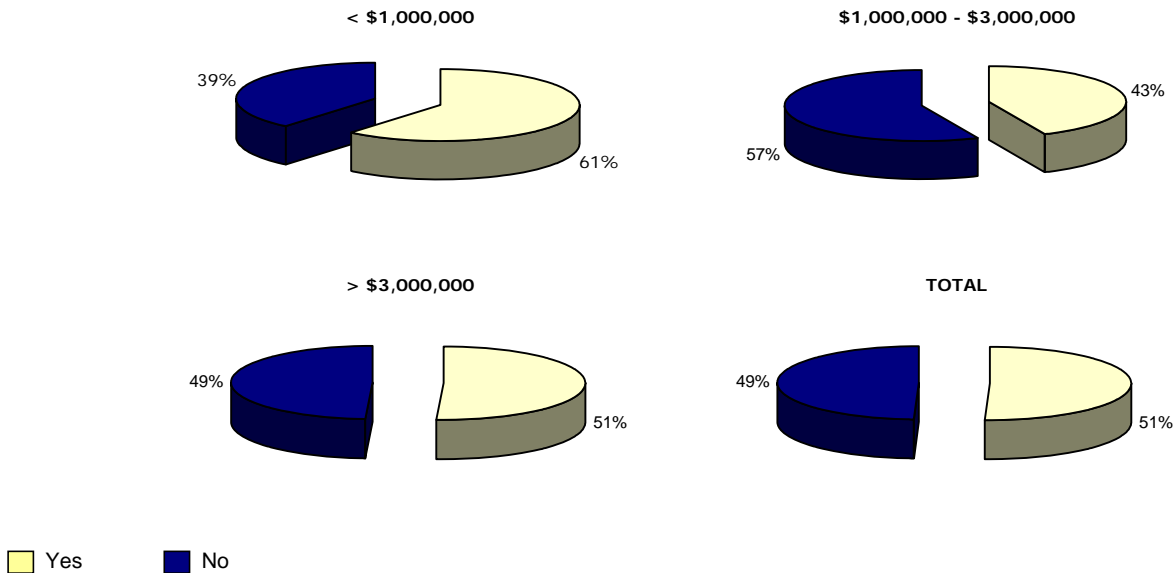
Almost half (48%) of the respondents receive some of their paper-based mail electronically. As the size of the agency increases, the percentage increases.

Is your agency moving towards a paperless environment?



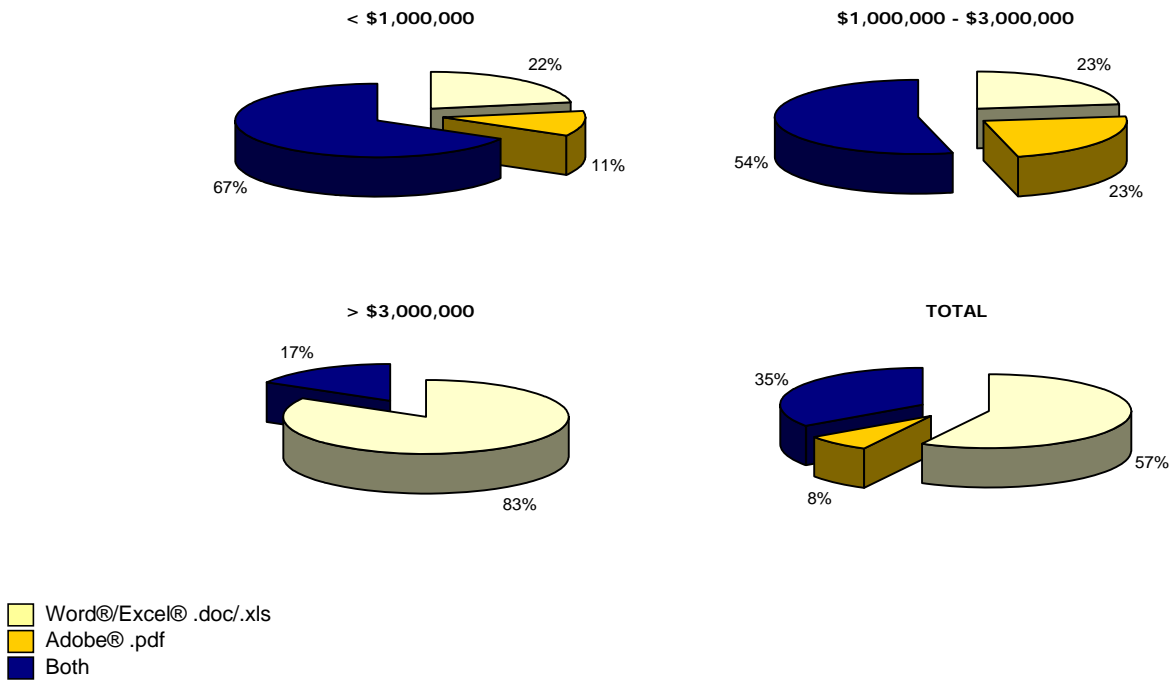
The results indicate 79% of the respondents have gone paperless or plan to move in that direction.

Does your agency use the NASBP Producers Tool Kit forms?



More than half of the survey respondents indicated they are using the NASBP Producers Tool Kit Forms. More than 60% of agencies with less than \$1,000,000 in annual surety premiums are using the forms.

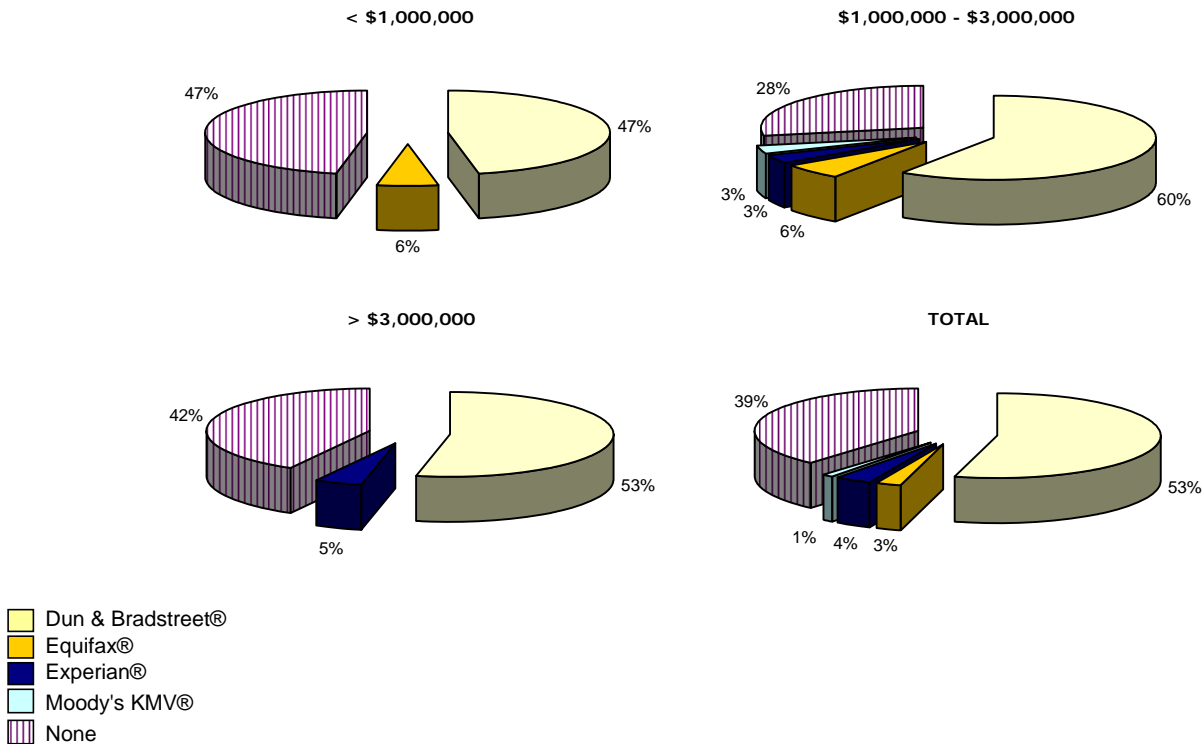
If yes, do you use the Word/Excel versions with your agency logo or the Adobe version?



More than half of those using the NASBP Producers Tool Kit forms are using the Word®/Excel® versions. Note that 83% of agencies with surety premiums of more than \$3,000,000 are using the Word®/Excel® versions.

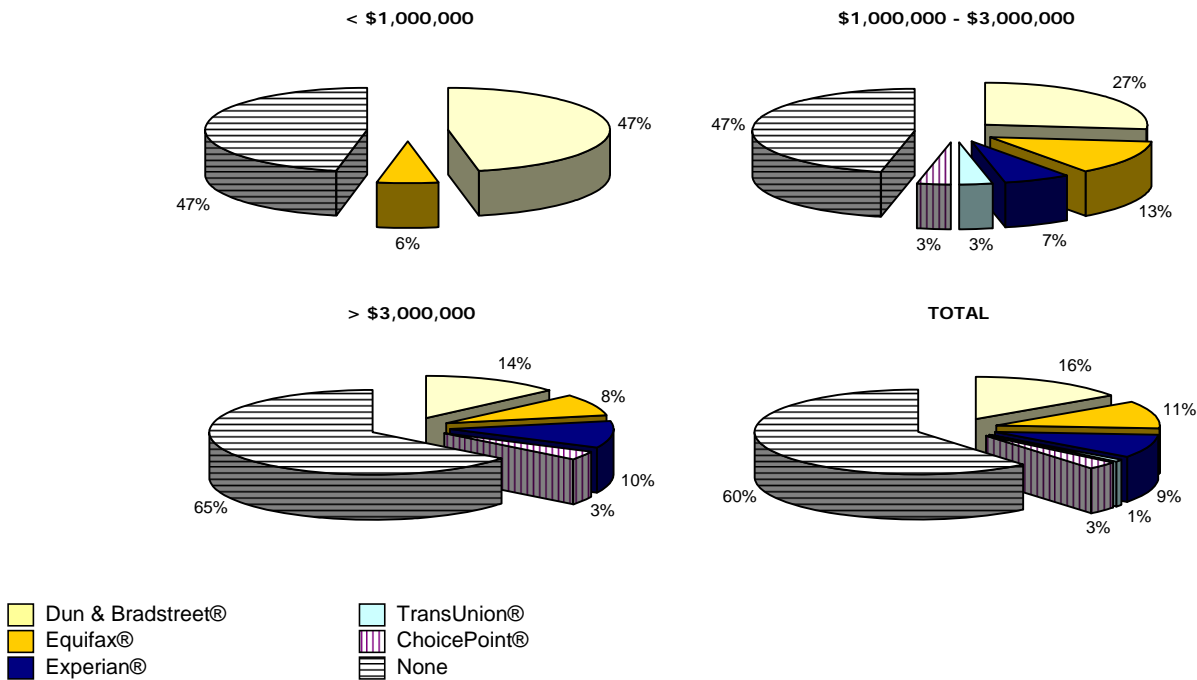
Credit Reporting

Which credit reporting or risk measurement tools does your agency use for business reporting?



More than half (53%) of respondents indicated they are using Dun & Bradstreet® as their credit reporting or risk measurement tool for business reporting.

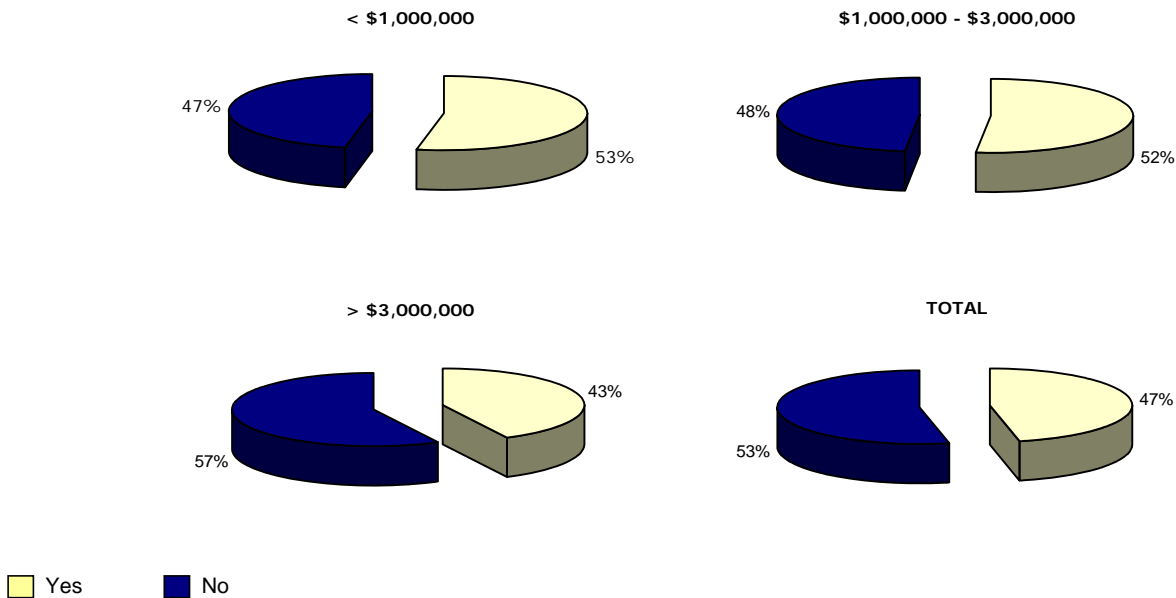
Which credit reporting or risk measurement tools does your agency use for personal reporting?



Nearly two-thirds (60%) of respondents are not using a credit reporting or risk measurement tool for personal reporting. The most commonly used tools for personal reporting include Dun & Bradstreet®, Experian®, and Equifax®.

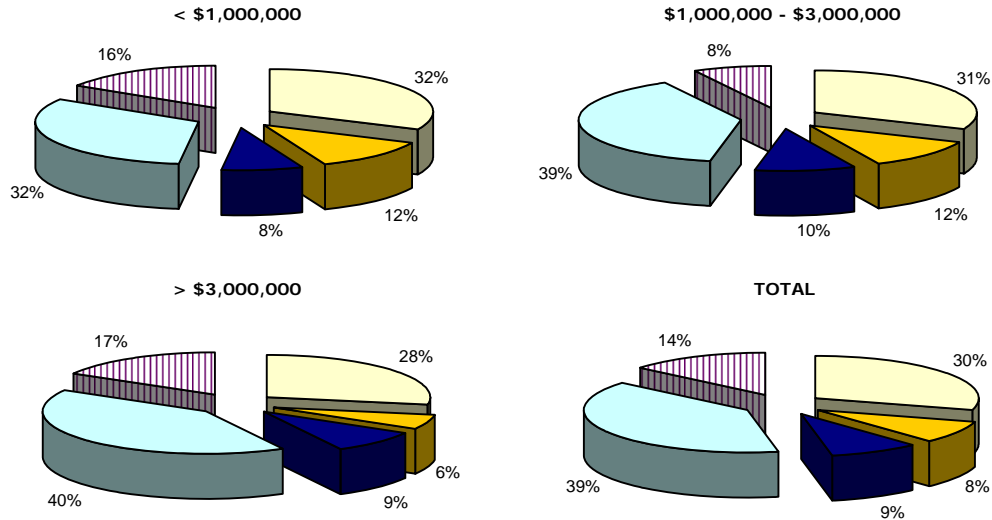
Upcoming Technology

Are you using virtual/online learning tools for professional development?



Almost half (47%) of the survey respondents are using virtual/online learning tools for professional development. Those using training tools indicated that they use web-based training modules and obtain continuing education credits online. Other responses included: online training videos, online courses/WebCE & exams, PowerPoint presentations, and web seminars.

Are you using any of the following IT products and services at your agency?



- Electronic collaboration tools/online meetings (WebEx®, LiveMeeting®, etc.)
- Global Positioning System (GPS) (acquires position and give directions to destination)
- Instant messaging (real-time communication between employees through the internet)
- Multiple monitor display (plugging two or more monitors into one computer to expand your display)
- Voice over IP or hosted VoIP solutions (transmission of voice through the internet)

The most popular new technology among respondents is the use of multiple-monitor displays. Many agencies are also using electronic collaboration tools and online meetings.

Does your agency regularly use any other web sites or applications that you consider important to your operations?

Respondents reported regular use of the following web sites: AM Best ratings site, the U.S. Federal Treasury listing site, state-specific corporation search sites, various surety company online forms libraries, various obligee sites including the state DOT sites, and construction industry activity sites including McGraw-Hill Dodge Reports, BIDServive Daily, and Construction Summary.

Definitions

Bluetooth®

a wireless protocol facilitating data transmission over short distances from fixed and mobile devices

content management system

a computer application used to create, edit, manage, and publish content in a consistently organized fashion

database

a structured collection of records or data that is stored in a computer system.

document management system

a computer system and/or program used to track and store electronic documents and/or images of paper documents

e-commerce

the buying and selling of products or services over electronic systems such as the Internet and other computer networks

e-mail encryption

transforming information using an algorithm to make it unreadable to anyone except those the e-mail is intended for

e-mail system

computer program that transfers electronic mail messages from one computer to another

global positioning system

satellites that orbit the Earth and make it possible for people with ground receivers to pinpoint their geographic location

Google® maps

a web mapping service application provided by Google® that powers many web sites and map-based services

instant messaging

the exchange of text messages through software in real-time

multiple monitors

the ability to run multiple monitors off of one computer

NASBP Producers Tool Kit

a library of commonly used forms created for agents by the NASBP Automation and Technology Committee located at:
<http://www.nasbp.org/toolkit>

operating system

the software component of a computer system that is responsible for the management and coordination of activities and the sharing of the limited resources of the computer

paperless environment

a philosophy to work with minimal paper and convert all forms of documentation to a digital form

RSS feed

a format used to publish frequently updated works – such as blog entries, news headlines, audio, and video – in a standardized format that can syndicate content quickly

server technology

server operating system utilized on a computer that has been set aside to run a specific application

telecommuting

a work arrangement in which employees enjoy flexibility in working location and hours

unified messaging

the integration of different streams of communication (e-mail, SMS, Fax, voice, video, etc.) into a single location

virtual / online learning tools

instruction in a learning environment where teacher and student provide course content through course management applications, multimedia resources, the internet, videoconferencing, etc.

voice over IP

managing the delivery of voice information over the internet

web services / XML

a software system designed to support interoperable machine-to-machine interaction over a network