



# Digitizing the Surety Bond Ecosystem

## Executive Summary

This document outlines the current challenges in the subcontract surety bond process and introduces a collaborative, production-ready initiative to establish a transparent digital execution workflow. While preserving existing operational frameworks, the [Surety X](#) rollout provides a foundational, high-impact solution that enhances visibility, coordination, and efficiency—laying the groundwork for broader adoption of digital bonds.

## Problem Summary

The current surety bond execution process remains fragmented, manual, and inefficient. Stakeholders rely on multiple tools, inconsistent processes, and paper-based workflows—including printing and postage—which introduce unnecessary costs, delays, and rework. Verifying and reporting bond execution remains fragmented: obligees typically confirm bond validity through calls, emails, or portal checks (where available), while producers rely on manually sending executed bond lists to sureties for entry in the absence of digital integration.

## Transforming and Adopting a Digital Bond Process:

To address these issues, industry stakeholders—including general contractors, subcontractors, producers, and sureties—are aligning around a common framework to support a streamlined digital workflow. Through the Surety X solution, this initiative establishes a shared understanding of the bond execution workflow, improves transparency, and identifies key interaction points critical to enabling a fully digital surety bond model. By mapping how stakeholders engage today, this initiative provides a clear foundation for future efficiencies and digital transformation efforts.

## Rationale for Prioritizing the Initial Workflow Model

Without a unified method to transact, communicate, and verify surety bonds, the burden

of coordination falls on each stakeholder:

- ▶ Contractors, subcontractors, producers, and sureties rely on calls and emails.
- ▶ Obligees must verify bonds manually, often across disparate systems.
- ▶ Producers email executed bond lists to sureties for entry, if no integration exists.

Surety X focuses on a secure, shared access and real-time visibility to reduce friction while minimizing disruption to existing practices. It will help refine the digital engagement model and enable email-enabled coordination and lightweight APIs—with future iterations supporting fully digital bond execution.

## Laying the Groundwork for the Future Vision

The Surety X solution establishes standardized workflows, rules of engagement, and a digital foundation for bond transparency. The initial phase simulates end-to-end workflow of the bond execution process using live data and delivers value by:

- ▶ Enabling real-time visibility into bond status across all parties
- ▶ Improving accuracy and reducing rework
- ▶ Providing secure, shared access to fully executed bonds
- ▶ Replace fragmented communication (phone, email, portals) with standardized verification methods

These outcomes lay the foundation for future optimization opportunities, integration and industry-wide scalability, accelerating the shift towards an automated, digital surety bond ecosystem.

## Why RiskStream

RiskStream has broad support from its surety members, including sureties representing 68% of the market share, brokers/agents, and surety associations. These stakeholders have asked RiskStream to help transform and modernize the surety bond process.

**The Institutes RiskStream Collaborative™** aims to create an ecosystem within the risk management and insurance industry that leverages emerging technology platforms to design/build (or leverage existing) solutions that aim to streamline the flow and verification of data in multiparty business processes. Our goals as a blockchain and emerging technology consortium are to help industry participants lower operating costs,

drive efficiency from improved processes, and enhance the customer experience. Join the initiative!

**Surety X** represents a collaborative effort to modernize the surety bond execution process through real-world testing and stakeholder-driven design. Participating in the initiative allows organizations to shape the future state of digital surety, while gaining early access to shared workflows, improved coordination, and real-time execution visibility. Participating organizations will:

- ▶ Gain hands-on experience with the Surety X solution.
- ▶ Contribute feedback to refine functionality and expand adoption.
- ▶ Help define industry standards for a fully digital surety bond process.
- ▶ Collaborate with peers to address shared inefficiencies and risks.

**To join the initiative or learn more, contact [walshj@theinstitutes.org](mailto:walshj@theinstitutes.org)**

## **Built for Today. Paving the Way Forward.**

It's time to transform the way we process surety bonds. Surety X is a production-ready bond workflow platform, designed with industry leaders to streamline surety processes, accelerate turnaround, and lay the foundation for fully digital bonds.

## **The Problem: Paper Costs Time and Money**

When bonds move slowly, so does business. Manual communication, inconsistent verification, and disconnected workflows delay bond validation, limit timely access, and increase the risk of errors. For producers and stakeholders alike, the legacy paper-based process wastes time—and in this business, time is money.

## **The Solution: Surety X**

**Surety X** replaces the paper chase. It modernizes the surety bond process with secure, digital workflows—enhancing transparency, simplifying validation, and building trust across stakeholders, while supporting current execution practices.

- ▶ Enhances stakeholder visibility
- ▶ Cuts manual rework and redundancies

- ▶ Streamlined, digital validation workflows
- ▶ Reduces administrative workload
- ▶ Scalable foundation for a fully digital bond process

## How It Works

Surety X delivers a streamlined digital workflow with a built-in progress tracker—connecting principals, brokers, obligees, and sureties to reduce friction and improve visibility. It preserves industry norms while enabling permissioned access to executed bonds, real-time transparency, and simplified verification.

## Backed by The Industry

The Institutes RiskStream Collaborative™ is an insurance blockchain and emerging technology consortium focused on streamlining data flow across multiparty insurance processes. Surety X is backed by sureties representing 68% of market share, plus brokers, agents, and associations who asked us to help modernize the bond process. This solution is built with—and designed for—the surety industry.

## Be Part of the Solution

We're inviting select candidates to participate in a live pilot—an opportunity to shape this revolutionary process. Participants will:

- ▶ Engage with Surety X in real-world scenarios and contribute valuable feedback
- ▶ Collaborate with peers across the industry
- ▶ Help establish shared processes for a digital bond ecosystem

**Want to participate? Contact us to see if your organization qualifies.**

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