

Surety – Overview of Contract Bond Products

Contract Bonds	Description
Bid bond	Provides that the bidder (principal), if awarded the contract within the time stipulated, will enter into the contract. Liability is the difference between the amount of the principal's bid and the next lowest bidder
Performance bond	Provides that the principal (contractor) will faithfully performance the terms and conditions of a written contract
Payment or labor and materials bond	Provides that the principal (contractor) will pay for certain labor material used in the project relating to the work the principal is obligated to perform under the contract
Maintenance bond	Provides a guarantee against defective workmanship or materials