



## **From Bid Bond to Paid Bond: How Producers Convert Opportunity into Revenue**

### **Opening (Hook)**

A bid bond is not the deal. It's the audition.

The Performance & Payment bond is the contract — and the revenue.

If you issue bid bonds without a conversion strategy, you are doing admin work. If you issue bid bonds with intent, you are building a pipeline. At RGI, we don't just process bonds. We convert them.

### **Section 1: What a Bid Bond Really Is**

A bid bond is a commitment from the surety that says: 'If this contractor is awarded the project, we are willing to back them.' Most bid bonds are issued at no cost when part of an approved program. The surety expects to earn premium on the Performance & Payment bond. Your job is to make sure that premium becomes real revenue.

### **Section 2: Pre-Qualify Before Issuing**

Never issue a bid bond casually. Before issuing, ask:

- If awarded, are you ready to move forward?
- Do you have funding lined up?
- Have you performed work of this size before?
- Is this within your current capacity?

Once we issue a bid bond, the surety is exposed. You are underwriting before underwriting.

### **Section 3: Set Premium Expectations Early**

Before the award, communicate estimated rates clearly. Example script: 'If awarded, based on what we're seeing, your Performance & Payment bond will likely fall around 2%–2.5%. We'll confirm once final underwriting reviews.' Setting expectations early prevents sticker shock and positions you as an advisor.

### **Section 4: Build the File During the Bid Stage**

Do not wait until award to gather documentation. Collect:

- Financial statements
- WIP report
- Resume and project history
- Bank letter
- Prior bonding history

When they win, speed matters. Speed closes bonds. Delays lose bonds.

### **Section 5: Award Day Protocol**

- Call immediately when results are released
- Confirm win or loss
- Confirm final contract amount
- Confirm premium and terms
- Send invoice same day
- Move directly to binding

This is production discipline. Follow-up is not optional.

### **Section 6: Revenue Mindset Shift**

Example: 20 bid bonds issued, 40% win rate, \$1M average contract, 2% rate. That equals 8 closed bonds and \$160,000 in premium. The bid bond was the doorway. The P&P bond is the revenue.

### **Closing Message**

At RGI, we do not issue bid bonds passively. We issue with intention. Every bid bond is a pipeline event. Every pipeline event deserves follow-through. Convert opportunity. Close with confidence. Run it up.