

Zurich Surety Benchmark Report



Valuable insights for contractors and their peers

At Zurich, knowledge is indeed power when it comes to helping customers meet the risk management challenges of today and tomorrow. The Zurich Surety Benchmark Report is a proprietary, insight-gathering tool designed to deliver a financial comparison of you and your peers as well as industry trends, portfolio insights, and claims data.

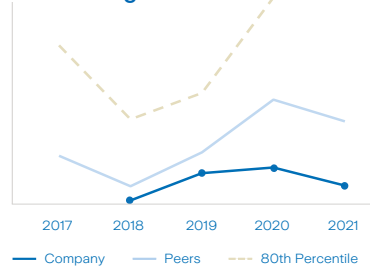
What kind of data can you expect to see in a Zurich Surety Benchmark Report? Here are just two examples:

Profitability¹

Current Performance

	Company	Peers	CFMA
Count		15	54
Gross Margin %*	14.33%	19.21%	16.00%
SG&A Margin %	10.60%	12.32%	11.40%
Operating Margin %	3.73%	4.27%	4.60%

Gross Margin %*



Subcontractor Trends²

	Building Components		Electrical		Mechanical		Plumbing		Specialties	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Count	242	115	227	105	191	99	44	25	128	75
Current Ratio	2.06	2.71	1.86	1.98	1.80	2.12	1.97	2.31	1.97	2.26
Underbillings to Working Capital	10.03%	7.59%	16.69%	16.14%	19.13%	11.31%	12.94%	9.22%	12.08%	9.19%
Days in Receivable	82	71	81	76	75	71	76	72	79	78
Net Margin %	5.11%	9.09%	4.56%	6.92%	4.09%	6.11%	2.65%	6.32%	4.12%	6.94%

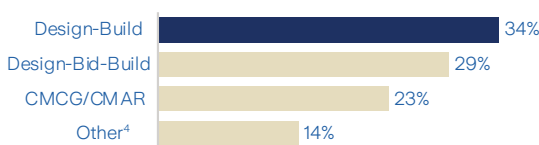
To get full results tailored to your business, contact your broker or Zurich Surety Underwriter

Delivering valuable industry insights

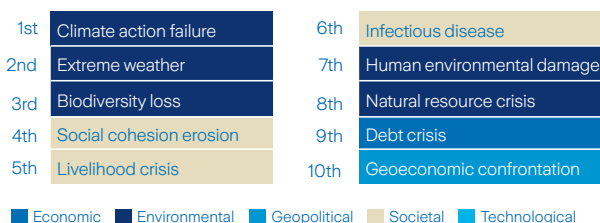
Providing analyses of customer-specific financial performance is just one of the values of a Zurich Surety Benchmark Report. We also deliver insights about emerging and evolving trends affecting the construction industry, providing impactful views like this one:

Emerging Industry Trends

Design-Build is perceived to be the most prevalent delivery method over the next 5 years with largest spending growth in the South Atlantic, South Central, and Pacific regions between 2021-2025.³



Survey: Most Severe Risks On a Global Scale Over the Next 10 years⁵



Customer Insights

Our reports also show how today's key industry trends may impact GCs, subcontractors, and project owners.

<p>Labor Shortage</p> <ul style="list-style-type: none"> Attrition levels on the rise Increased salaries Recruitment and flex-work expanding beyond prior workplace models 	<p>Economy</p> <ul style="list-style-type: none"> Inflation on the rise Project budgets from years past do not account for inflation Concern for subcontractor strength
<p>Supply Chain Disruptions</p> <ul style="list-style-type: none"> Clients stockpiling inventory Subcontractors unable to hold price Material escalation clauses Shift in procurement methods 	<p>ESG</p> <ul style="list-style-type: none"> Buildings account for 40% of carbon emissions⁶ Preferable financing options linked to sustainability targets Zurich will reach its 2050 Net Zero goals by 2030

- Company and Peer metrics reflect analyzed values for purposes of Zurich's internal surety underwriting financial analysis.
- Includes US closed claims only, including those settled without loss. Territory reflects the project location. Scope of Work reflects the contractor's primary work category. Loss by Revenue reflects the contractor's annual revenue level prior to the claim.
- <https://fmcicorp.com/insights/industry-insights/design-build-utilization-study>, October 2021
- Includes IPD, EPC, EPCM, Multi-prime, JOC, P3, DBF, Lease-leaseback, IDIQ
- www.zurich.com/knowledge/topics/global-risks/the-global-risks-report-2022, January 11, 2022
- International Energy Agency – November 2021
- [IEA at COP26: The Role of Energy Efficient Buildings on the Path to Net-Zero - Strategies for policy makers - Event - IEA](https://www.iea.org/cop26-the-role-of-energy-efficient-buildings-on-the-path-to-net-zero-strategies-for-policy-makers)

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