

SUBSECURE



Subcontractor default is one of the greatest concerns facing general contractors and large construction builders today.

FINANCIAL CREDIT ANALYSIS TOOL

SubSecure measures financial factors to identify subcontractors that present a high risk.

The analysis process consists of the following:

- Evaluation of the subcontractors' financial reports against standard financial reporting guidelines. This analysis includes a review of the opinion letter, financial statements, supplementary information, open and closed job schedules, and footnotes to the financial statement.
- An analysis that scores the subcontractor's balance sheet, work in progress, income statement, cash flow, working capital, and net

worth by comparing them to ratios commonly used by sureties in their underwriting reviews.

- A review of a subcontractor credit report to determine the existence of any liens, judgments, or lawsuits outstanding.
- Z Score for each subcontractor analyzed. This score is a measure of corporate financial distress and potential economic bankruptcy.
- The Marsh Construction SubSecure financial benchmark tool separates each subcontractor's risk score into four quartiles. Quarterly reports are provided reflecting the overall quality of your subcontractor portfolio.

Who it's for:

- General contractors, construction managers, specialty subcontractors, owners and lenders who have subcontractor default risk and realize the need to have critical support in analyzing subcontractors' financial information prior to award.
- General contractors or construction managers who have or are considering any kind of subcontractor default insurance product such as Subguard®.

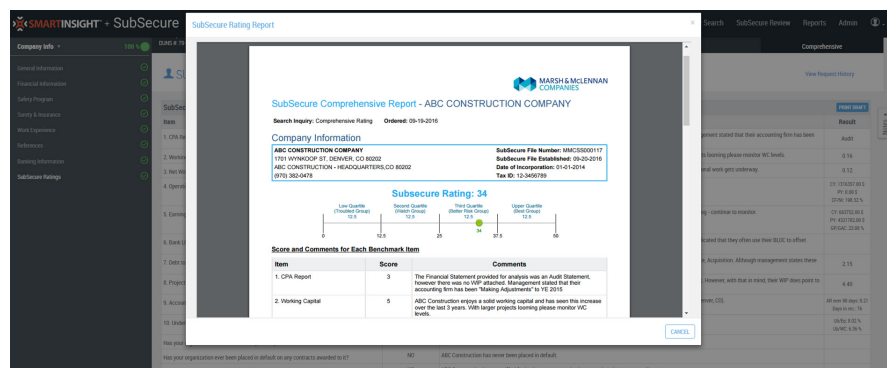
What you get:

- Individual subcontractor benchmark report that scores a subcontractor's financial factors for potential default.
- An individual subcontractor Z Score report that is widely recognized as an indicator of potential financial problems.

LEADING EDGE TECHNOLOGY

We have partnered with JBKnowledge to create an industry-leading automated process for subcontractor default analysis.

SubSecure is integrated into the SmartInsight platform, an online construction network that helps contractors find, qualify, and connect with other contractors for construction projects and manage their subcontractor risk.



For more information on these and other solutions from Marsh, visit www.marsh.com or contact your local Marsh representative.

Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

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