XBRL US Launches Pilot to Improve Surety Bond Processing through Data Standards

December 2, 2015 - XBRL US and three organizations in the surety industry – GALLINA LLP, Liberty Mutual and the National Association of Surety Bond Producers (NASBP) – announced today the launch of a pilot program to evaluate how structured data can streamline surety underwriting data processing to reduce costs and increase timeliness and consistency. XBRL (eXtensible Business Reporting Language) is a structured data standard that makes business and financial information computer-readable and more easily consumed. It is currently used in the US for financial statement reporting by public companies and banks.

A working group has been established to develop a prototype Work in Process Taxonomy (digital dictionary of financial terms). Representatives from the sponsoring organizations plus the Surety & Fidelity Association of America (SFAA) and the Financial Accounting Standards Board (FASB) will participate in the working group. The Taxonomy will be used to identify concepts included in the Work in Process report which contractors submit to sureties or to a bonding agent. The Work in Process report contains data on the performance of individual contractor projects including revenues, costs and percentage complete which the surety relies on when bonding contracts.

“Sureties evaluate hundreds of contractors every 3-6 months. The WIP (Work in Process) is typically sent in PDF format and must be hand-keyed into our system before analysis can begin. This process is time-consuming, labor-intensive and costly,” said Greg Davenport, SVP Global Operations, Liberty Mutual Surety. “Standards like XBRL will enable straight-through-processing of these documents which will increase our responsiveness, dramatically lower costs, and improve our ability to evaluate these jobs efficiently and effectively.”

The team will develop the taxonomy and sample XBRL documents, and will conduct a public review to collect more feedback from the surety reporting supply chain.

“Much of the data that contractors submit in the WIP report is already included in what public companies report in XBRL format to the Securities and Exchange Commission every quarter. This pilot builds on the terms already available in the XBRL US GAAP Taxonomy which is maintained by the Financial Accounting Standards Board (FASB),” said Campbell Pryde, President and CEO, XBRL US.

For more information about the program and to get involved, go to: https://xbrl.us/govt-industry/surety/

Contact: 1-917-747-1714, michelle.savage@xbrl.us