Tennessee Contractors Can Now Swap CPA Financial Statements for a Surety Bond

A1 Surety Bonds is helping contractors use Tennessee's new bond option, effective July 1, 2026, to license and renew without costly CPA-prepared financials.

NASHVILLE, TN, UNITED STATES, July 21, 2026 /EINPresswire.com/ -- Tennessee contractors have a new, simpler path to getting and keeping their licenses. As of July 1, 2026, the Tennessee Board for Licensing Contractors accepts a Contractors' Surety Bond in place of the CPA-reviewed or CPA-audited financial statement that has long been required to establish a license's monetary limit. A1 Surety Bonds, a national surety-only agency, is now issuing bonds under the new program for contractors across the state.

The change, enacted by legislation passed in May and effective at the start of this month, gives applicants and licensees a choice they have never had before. Instead of hiring a CPA to review or audit their financials, contractors may post a surety bond in an amount equal to at least 50% of the monetary limit they are requesting. A contractor seeking a $500,000 monetary limit, for example, may qualify by posting a $250,000 bond. Contractors choosing this option must submit the bond on the Board-approved Contractors' Surety Bond form, available on the Tennessee Department of Commerce and Insurance website.

For many contractors, the difference is significant. A CPA-reviewed financial statement can cost thousands of dollars, take weeks to prepare, and must be kept current with the Board. The reviewed-statement process also requires contractors to open their books to outside accountants on a recurring basis. A surety bond, by contrast, can often be quoted and issued in a matter of days, with the premium typically representing a small fraction of the bond amount for qualified applicants.

"This is one of the most contractor-friendly changes we've seen come out of Nashville in years," said a spokesperson for A1 Surety Bonds. "Small and mid-sized contractors have told us for a long time that the cost and hassle of CPA-reviewed financials was a real barrier, especially at renewal time or when they wanted to raise their monetary limit to bid bigger jobs. Now they can hand that problem to a surety company instead. Our job is to make that bond fast, affordable, and painless."

The new option is available both to first-time applicants seeking a Tennessee contractor's license and to existing licensees at renewal, including those applying to increase their monetary limit. The financial statement pathway remains available, so contractors who already maintain CPA-prepared financials can continue as before; the bond is an alternative, not a replacement.

A1 Surety Bonds is issuing Tennessee Contractors' Surety Bonds through its network of A-rated surety carriers. Contractors can apply online in minutes, and most applicants receive a quote within one business day. Because A1 writes surety bonds exclusively — contract, commercial, and court bonds in all 50 states — the agency's underwriters are familiar with contractor licensing requirements nationwide and can guide Tennessee contractors through the Board's new form and filing requirements.

Contractors weighing the two options should consider the size of the monetary limit they need, the cost of maintaining reviewed or audited financials, and how quickly they need their license issued or renewed. A1's team offers no-obligation quotes so contractors can compare the bond premium against their current CPA costs before deciding.

Tennessee contractors who want to use the new surety bond option for an upcoming application, renewal, or monetary limit increase can contact A1 Surety Bonds at (800) 737-4880 or visit a1suretybonds.com to apply.

About A1 Surety Bonds

A1 Surety Bonds is a surety-only insurance agency serving contractors and businesses in all 50 states. The agency specializes in contract bonds, commercial bonds, and court bonds, with a focus on fast turnaround, competitive rates, and expert guidance through state licensing requirements

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