The Surety & Fidelity
ASSOCIATION OF AMERICA

Protecting Workers, Taxpayers & Businesses

For Immediate Release

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Texas Commissioner Issues Clarification under Governor's Executive Order Requiring Acceptance of Electronic Signatures

August 27, 2020, WASHINGTON, DC – The Surety & Fidelity Association of America (SFAA) commends Texas Governor Abbott for issuing a broad executive order that allows public agencies to adapt to the use of electronically-issued contract and commercial surety bonds in response to the COVID-19 pandemic. The Governor authorized the use of all available state and government resources necessary to cope with the disaster. On August 26th, The Texas Department of Insurance (TDI) issued a bulletin clarifying that electronic signatures for surety bond transactions are allowed by the Insurance Code if all parties agree. This action will help to ensure workers are not put at risk while conducting essential business related to the issuance of contract and commercial surety bonds on vital construction projects and other commercial business operations. TDI has created a web page that will be updated on an ongoing basis.

"We will continue to work with state and local agencies to help keep thousands of agents and other workers safe as they go through the 're-open' process. This bulletin requires that public procurement officers accept electronic signatures and electronic corporate seals when both parties agree," said SFAA President and CEO Lee Covington. "We thank Governor Abbott and The Texas Department of Insurance (TDI) for recognizing the importance of issuing this bulletin and will continue to advocate for the acceptance of e-signatures and e-corporate seals during these unprecedented times. The infrastructure projects and state businesses that these bonds support is essential to getting people back to work and our economy back on track," continued Covington.

Surety bonds are required by the laws of every state to provide important protections for the public. Construction surety bonds provide critical protections to taxpayers by guaranteeing the performance of contractors, in addition to guaranteeing the payment of small business sub-contractors, suppliers, and workers. Commercial bonds guarantee the obligations of businesses and individuals, such as mortgage broker bonds, contractor license bonds, and guardian bonds, thereby upholding federal, state, and local laws that protect families and consumers from financial harm.

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The Surety & Fidelity Association of America (SFAA) *is a trade association of more than 425 insurance companies that write 98 percent of surety and fidelity bonds in the U.S. SFAA is licensed as a rating or advisory organization in all states and it has been designated by state insurance departments as a statistical agent for the reporting of fidelity and surety experience.* www.surety.org