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Legislative Fly-In

For the first time ever, NASBP and SFAA will host a joint fly-in on June 5-6, 2019 at the Hyatt Regency on Capitol Hill. Book your hotel by May 6, 2019.

Join us for a two-day event filled with networking and advocacy opportunities. Your participation as a surety advocate is critically important towards helping policymakers understand the significant role bonds play on federal construction projects.
Please note: you will need to complete two registrations. The Prime Advocacy registration will help determine which members of Congress each individual is eligible to see. The NASBP registration will collect the payment and to ensure the materials are available for each registrant.

Prime Advocacy Registration

NASBP Registration

The Briefing Room - Federal Affairs

_House committee fields lawmakers’ top infrastructure priorities_

Over 40 Congressmen and women [testified](#) at the Transportation Committee’s "Members Day." SFAA attended the hearing to learn what is top of mind for members of Congress as the committee begins it work on drafting legislation to address the nation’s surface transportation needs. Improvements to deteriorating water ways and increasing broadband internet access were heavily referenced as critical infrastructure needs by many in attendance. The committee will hold a series of hearings on the bill in the coming months with the hope of introducing legislation before August recess.

_Positive message on infrastructure dampened after funding realities set in_

Democrats and the Trump Administration agreed in principle to pursue a $2 trillion infrastructure package during a bipartisan and optimistic meeting last week. Although both sides were cordial during the exchange, significant outstanding decisions related to funding were delayed to a later meeting in May. Notably, the Administration walked back its stance on leveraging public private partnerships (P3s). Democrats have indicated a strong desire for higher direct funding and have expressed skepticism toward relying on P3s to finance the bulk of the nation’s infrastructure needs. A number of revenue raising options have been articulated, including a new gas tax or revisiting changes included in the 2017 tax law, but none to date have garnered bipartisan support.

SFAA Promotes Careers in the
The Surety & Fidelity Association of America participated in the Risk Management Society (RIMS) Conference in Boston from April 29-May 1. This was the first time SFAA took part in the conference. The event hosted approximately 10,000 attendees, including 22 SFAA member companies. SFAA was on-hand to promote careers in the surety and fidelity industry, as well as to promote The Surety Foundation’s Intern and Scholarship Program to interested students.

In addition to staffing the booth, SFAA staff were also able to support the efforts of member companies, such as attending a diversity and inclusion breakout session hosted by The Hartford. Staff also had productive discussion with attendees, including government officials seeking more education and knowledge on bonding, and college students about opportunities for jobs and paid internships in the industry. Nia Gumbs, a junior at St. John’s University and a recent participant in the Foundation’s intern and scholarship program, also stopped by to thank SFAA.

SFAA staff were aided in their efforts by local employees from member companies who helped staff the booth: Jessica Carini and Ryan Murphy of Philadelphia Insurance Companies, and Christoph Kapp of Liberty Mutual. SFAA also wishes to thank Board member Antonio Albanese of Nationwide for stopping by the booth to show his support.

States Require Bonding for Wholesale Drug Importation

States are considering legislation to create a state wholesale importation programs that would purchase drugs in Canada through authorized wholesalers and make them available through existing supply chains, such as local pharmacies. Under federal law, states must develop a program that shows that the practice is safe and saves money and submit it for federal approval.

Vermont enacted the first statewide import program last year, and this year, over a dozen states have considered a wholesale drug importation program, which is the first step to federal approval. Given the issues of drug safety and compliance, the bills in Colorado and Florida have bonding provisions, which are on their way to the Governor’s desks.

In Colorado, the state’s vendor(s) would have to post a bond or other security for at least $25,000 that would secure payment of any administrative penalties and assessments under the program, compliance with any contractual and statutory obligations, and participation in any civil or criminal legal actions.

In Florida, the vendor’s bond would have to mitigate the financial consequences of the potential acts of malfeasance or misfeasance or fraudulent or dishonest acts committed by the vendor, any of its employees, or its subcontractors. The bill in Florida does not specify a bond amount for the vendors. Additionally, the bill in Florida would require
international prescription drug wholesale distributors to the permit and bond requirements for domestic distributors. In states that have adopted model legislation based on the model from the National Association of Insurance Commissioners (NAIC), wholesale prescription drug distributors must provide a $100,000 bond. The bond amount became hard to obtain in multiple states and Congress enacted a law in 2013 to establish national standards for wholesale drug distributors that require the states to adopt a bond for $100,000 or for $25,000 if the distributor’s annual gross receipts in the previous tax year are $10 million or less. If a bond is posted in another state, the distributor can provide evidence of the bond in lieu of obtaining another bond. Florida has implemented the federal requirements for bonding.

Washington Enacts a Study of Additional Regulation of Home Improvement Contractors

The new law requires that a working group be developed this August to consider safeguards for consumer that hire contractors. Among the issues that the report must address is whether the current license bond amounts are sufficient to protect consumers, workers and suppliers, as well as tax obligations, and any other registration or options for consumer recovery. Existing law requires a $12,000 license bond for general contractors and $6,000 for specialty contractors. The working group must contain representatives of all stakeholders, including sureties. The final report is due on June 30, 2020.

California also has legislation pending that would require the Contractor’s State Licensing Board to study whether the current $15,000 contractor license bond is sufficient or whether the bond amount should be increased. A report would be due on January 1, 2024.