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Success: SFAA-NASBP Legislative Fly-In

Last week SFAA and NASBP members met with 66 Congressional offices to advocate for the industry’s top federal legislative priorities. The inaugural joint fly-in kicked off with a congressional briefing to discuss the future of infrastructure legislation with a bipartisan panel of staff from the House Transportation & Infrastructure, Ways & Means, Small Business Committees, as well as the General Services Administration and the Small Business Administration. Reforming the highway and harbor trust funds, improving clean water infrastructure, and contemplating new revenue
Sources to fund infrastructure reform were top of mind for both sides of the aisle. During SFAA and NASBP’s meetings on Capitol Hill, attendees emphasized the importance of preserving the current $150,000 bond threshold in the Miller Act against periodic increases and requiring surety bonds for construction projects financed by the federal TIFIA program. If you are interested in learning more about our joint advocacy priorities please click here for more information.

LSA Spotlight: Surety Association of Ohio

The Surety Association of Ohio was awarded the Silver Award as part of the Surety Industry Awards for the efforts of its members in promoting surety bonding. The Silver Award for Excellence in Surety Bond Promotion is presented to LSAs that conduct at least five public relations and educational activities to promote the use of contract surety bonds in construction.

Member efforts that won the Silver Award included presenting to builder groups about bonding and the underwriting process, educating construction capstone students at Ohio State about surety, educating construction managers on year-end balance sheets, and participating in a Bonding Education Program with the Michigan DOT.

Texas Legislature Passes “Right to Repair” Bill for Construction Defects

Legislation is on the Texas Governor’s professional could be sued for damages arising out of a construction defect. The bill, HB 1999, was a priority bill for the local construction trade groups as a means to reduce potential litigation for construction projects. The bill would require an independent, third-party professional engineer to inspect the defect and make a written report before the public owner can make a claim. Each party subject to the lawsuit would have to be given at least 150 days after the report is made to inspect and correct any construction defect. Currently, public owners can file a lawsuit for a defect without allowing the contractor an opportunity to fix the problem. Under HB 1999, contractors would not have to be given the right to repair a defect if they cannot obtain bonding and insurance for the corrective
desk that would create a right to repair
colorful construction defects on public, commercial
construction projects before a contractor,
subcontractor, supplier, or design
work, the public owner previously
terminated the contractor for cause, the
contractor failed to correct previous
defects on the project, or the contractor
has been convicted of a felony.

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**Minnesota Repeals Bond Required for Fuel Distributors and Special Fuel Dealers**

In Minnesota’s one-day special
session, a package of budget
bills passed that included some legislative issues that did not pass in the regular
session. Provisions were included one of the budget bills under HB 5a that repeal the
bond that was required for fuel
distributors and special fuel dealers. The initial bond amount required was $3,000 and
the Commissioner of Revenue determined the bond amount required. The new law
imposes penalties of refusal to issue, suspend or revoke a fuel distributor or special fuel
dealer’s license for failing to pay the tax.

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**Reminder: Call for Data**

*Reminder: The SFAA has sent a data request for claim and loss information by contractor from all SFAA members for use in updating our Construction Loss Severity model. Submissions are due by September 1, 2019 and should be uploaded via our website.*
The Surety & Fidelity Association of America (SFAA) is a trade association of more than 425 insurance companies that write over 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.