SFAA Negotiates Updated Massachusetts Family Leave Bond Form

Bail Reform On Hold in California

2019 Surety Industry Awards: Apply Today!

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**SFAA Negotiates Updated Massachusetts Family Leave Bond Form**

The Massachusetts Department of Family and Medical Leave (Department) adopted regulations earlier this year to implement a new law that requires employers providing a private plan for family and medical leave benefits to post a bond if the employer will self-insure the plan instead of making contributions.

The law and the regulations provide that employers or covered business entities that use self-insurance for their private plan must furnish a surety bond running to the Commonwealth in an amount that the Department requires. The Department recently
issued a separate guidance with a new formula that significantly reduces the bond amount for the initial October 1, 2019 to September 30, 2020, period, which will be based on the employer’s 2018 average workforce count, the 2018-2019 Statewide Average Weekly Wage of $1,383.41, and the 2019 Paid Family Medical Leave Contribution Rates. SFAA believes that this revised formula will improve the availability of the bond. The Department also released a new bond form that provides that the bond is conditioned on the principal complying with the self-insurance plan’s contribution requirements.

Earlier this year, SFAA and several member companies active in this market engaged the Department to advise on bond form language. After an original form was promulgated, SFAA and its members then successfully advocated certain modifications to the bond, which clarified drafting ambiguities and eliminated several onerous provisions.

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**Bail Reform On Hold in California**

Bail agents in California gathered more than enough signatures to force SB 10, the state’s bill eliminating cash bail, to be put on hold until voters decide via ballot initiative if the law should go into effect.

Despite seemingly growing popular support for “bail reform,” California’s agents may have been helped by the unexpected opposition to the bill from the ACLU and Human Rights Campaign on racial and socioeconomic grounds, which has split the anti-bail coalition. Other groups who had initially supported bail reform in California came to oppose the bill, believing it gives judges sole discretion on releasing individuals, would allow local jurisdictions to set their own rules, rely on a computer simulated assessment to determine fitness for release, and most notably, replace bail with actual time in jail.

The bail agents now have a year in which to build support for maintaining cash bail as voters won’t render their until the 2020 elections.

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**2019 Surety Industry Awards: Apply Today!**

SFAA and NASBP invite all Local Surety Associations to submit applications for the Surety Industry Awards in recognition of their work promoting surety bonding.

Award categories are:

- Silver Award
- Gold Award
- Platinum Award
- Advocacy Award

Please email Seth Johnson with any questions.

The deadline to apply is February 17, 2020.
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.