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SFAA Requests Public Officials to Permit Greater Use of Electronic Bonds

Last week, SFAA and NASBP submitted joint Requests for Emergency Action to state governors, mayors, federal procurement agencies and Congressional leadership requesting immediate action to expand the acceptance of electronic bonds. In light of the restrictions to in-person work caused by COVID-19 pandemic, SFAA and NASBP raised concerns regarding surety’s ability to meet the traditional requirements for the issuance of bonds on essential and legally-mandated national, state and local construction projects, and other commercial transactions. The Requests for Emergency Action asked public officials at the state and local level, to issue guidance (1) accepting electronic execution and delivery of both construction bonds and commercial surety bonds, to the extent this practice is not already officially adopted by state or local officials and (2) waiving notary requirements consistent with this request on all surety bonds. Please click here to view the documents SFAA provided to government officials. The American Property and Casualty Insurance Association, American Subcontractors Association, Associated General Contractors of America, among others, joined SFAA and NASBP’s request for Emergency Action. In response to SFAA and the NASBP’s request, the Federal GSA
Office of Governmentwide Policy issued a Memorandum for Contracting Activities, effective immediately, allowing for e-signatures and waiving the seal requirement.

AGC Raises Concerns for Contractors Applying for SBA Loans

Over the weekend, the Associated General Contractors (AGC) of America raised a significant concern in the way the Small Business Administration (SBA) drafted the qualifying guidelines for its new Paycheck Protection Program loans. In its letter, AGC stated that the SBA’s current interim rule would not allow construction firms that meet the statutory threshold of 500 employers or less to qualify for loans because the agency appears to have added a secondary qualification that is not part of the statute regarding the average annual receipts size standard used for construction. Contractors argued that applying the second standard will severely undermine the purpose of the new loan program by excluding many construction firms from qualifying for loans. SFAA intends to participate in the AGC’s follow up efforts to clarify this provision to ensure contractors are able to access these loans as soon as possible.

SFAA Updates Legislative Tracking Reports

SFAA has new updates to several of its legislative and regulatory tracking reports for this legislative session. The new Priority State Bills Legislative Report is available for members to access here. Additionally, the Comprehensive State Legislative Report and separate reports for all lines of business (Contract, Commercial, Bail and Fidelity) relevant to SFAA members has been updated. End of Session reports have been updated for New Mexico and Oregon. To view all of SFAA’s end of session reports, please click here.

Looking to Find Relevant Compensation Data?

The annual industry Compensation Survey is underway! Members interested in participating may contact Allan Fitzgerald at afitzgerald@ccs-consultants.com. The Survey has been conducted for several years and has served as a very useful tool for collecting important trend data on industry salaries and benefits. Data collection will run through mid-May. Contact Barbara Reiff for more information: breiff@surety.org.

STAY CONNECTED
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.