SBA Expands Acceptance of Electronic Signatures for Bond Guarantee Program

The Small Business Administration (SBA) announced that it will begin accepting electronic signatures from sureties and small businesses participating in the Bond Guarantee Program. The new guidance is effective immediately for SBA Surety Partners and small business participants. The guidance includes some document exceptions that will still require wet ink signatures, including certain claims and liquidation documents. SBA’s policy requires Surety Partners to comply with the current version of the National Institute of Standards and Technology (NIST) Digital Identity Guidelines. SFAA commends the SBA for taking action to ensure surety agents can continue to provide important bond protection for small business contractors while maintaining social distancing.
Contract Bonds Advisory Committee to Meet

The Contract Bonds Advisory Committee will be meeting this Wednesday where the Committee continues its important work on SFAA’s top strategic priorities, including a data research project to show the value of surety bonds and increasing private bonding opportunities. During the meeting, John Parkinson of Columbia University and the former Executive Director of AIAI will provide a Construction Market update relative to COVID-19 to the Committee.

Construction Industry Employment Continues to Decline Amid Pandemic

The Associated General Contractors (AGC) released new analysis on how construction sector employment has been impacted by the COVID-19 pandemic. The report found that every state except South Dakota experienced construction sector job loss in April. Simultaneously, the AGC unveiled new survey findings which assert that rising project cancellations are forcing many firms to furlough or terminate employees despite federal relief measures help avoid further job losses. The sector lost approximately 975,000 construction jobs nationwide from March to April which has pushed down industry employment to multi-year lows in many states. Furthermore, AGC’s chief economist, Ken Simonson, noted that the association’s latest survey found that more than two-thirds of the respondents report having a project canceled or delayed since the start of the outbreak in early March and that many projects they expected to start in June or later have been canceled or postponed indefinitely.

New Commercial Surety Advisory Committee Structure to Drive Engagement

The Commercial Surety Advisory Committee adopted a new structure to support the Board’s Strategic Priorities, to drive greater engagement, and to increase productivity between meetings in addressing industry-wide issues. The Committee established two subcommittees for Education and Customs, with Education being led by Craig Gortner of Chubb, Tony Albanese of Nationwide and John Bruno of Great American, and Customs being led by Michelle Lucaccioni of The Hartford. There are also industry sector working groups on (1) mining, (2) energy, (3) compliance, and (4) judicial and fiduciary with leaders spearheading issues in those sectors as they arise. The leaders for the Working Groups are as follows: Energy will be led by Pat Hennessey of Sompo International, Mining to be led by Joe Poplawski of Argo and Aaron Ort of Evergreen, Compliance to be led by Jay Holtz and Rosemary Quinn of CNA, and Fiduciary/Judicial to be led by Maureen DiMatteo of Travelers. SFAA looks forward to working with the Committee with its renewed energy and engagement. Beth Ann Bovino, Chief Economist with S&P Global, began the meeting with a discussion on The Impact of COVID-19, sharing observations on the impact of the pandemic on different sectors of the economy.
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.