



# Surety & Fidelity

Weekly 

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## ENR Annual Surety Supplement: 2019 Surety Mid-Year Update

*The 2019 ENR Surety Supplement is out now. Below is an excerpt from the Market Update.*

Construction employment is high, as is the total dollar value of construction put in place, and just as importantly, profit margins are rising - this is mostly good news overall, according to a quick survey of industry professionals.



"Early apprehension about an imminent economic cooling off has not been reflected in our industry," say Ken Simonson, chief economist of the Associated General Contractors of America (AGC). "Overall, construction is still running flat out. As well, despite tariffs and workforce shortages, we're not hearing about owners postponing, scaling back or cancelling projects, with a few exceptions, because of rising costs. Contractors tell us they have as much work as they can handle-and they'd be happy

to take on more employees if they could find them."

Along with plentiful work for contractors, the surety market remains strong while contractor failures are low, though workforce shortages, volatile materials prices and stalled federal infrastructure investment now threaten continued growth.

[Continue reading, here.](#)

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## Congress Considers Infrastructure Priorities Before August Recess



The Senate Environment and Public Works Committee will hold a [hearing](#) this week to discuss surface transportation investment and the need for a multi-year reauthorization bill. Separately, the House infrastructure committee [is meeting](#) on Wednesday to discuss the implementation and future needs of the Water Resources Development Acts, critical to providing federal financing to water infrastructure projects. Congress will need to consider both the surface transportation bill and the Water Resource Development Act before each program expires in 2020. SFAA is continuing to work with key members in both the House and the Senate committees to promote bonding related provisions in these key pieces of 'must pass' legislation.



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## Trend Spotting – Occupational Licensing Legislation Remains on the Horizon

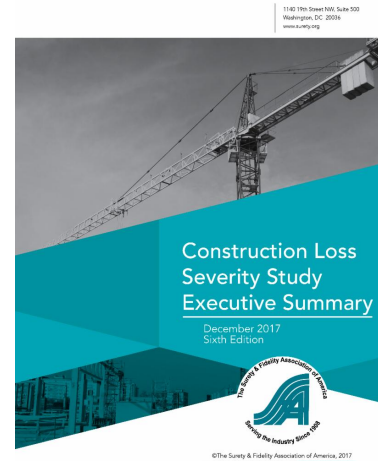
Throughout 2018 and into 2019 several state legislatures revisited bills related to occupation licensing requirements. Model legislation from the American Legislative

Exchange Council (ALEC) sets forth new measures to review licensing requirements and curtail any new occupational regulations, requiring that the least restrictive regulation be enacted. Several states took up bills similar to the ALEC model legislation over the past year and a half. In 2018, Louisiana, Missouri, Nebraska, and Ohio passed legislation addressing the 'restrictiveness' of occupational regulations. In 2019, the trend continued with occupational licensing legislation based mostly on the ALEC model in Arizona, Arkansas, Colorado, Indiana, Michigan, Ohio and Oklahoma.

Ohio adopted legislation based on the ALEC model in 2018, and this year, the legislature considering a bill that would require state agencies to review existing regulations for restrictive language and create an inventory of regulations containing such language. Other types of occupational licensing bills considered this year included the elimination of local occupational regulations, creating sunrise review processes for adopting regulations, addressing licensing eligibility for persons with criminal records, and state reciprocity for occupational licenses. Although most of the bills failed to advance through the legislature this year, SFAA expects this trend to continue throughout 2019 and likely into 2020.

## 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](#).*



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