



# Surety & Fidelity

## Weekly

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*Please note: The SFAA Weekly will take a brief hiatus for the month of August. We will begin again once sessions begin in September. Thank you for your support.*

### New SFAA Service: Online Case Summary Law Library

The Surety & Fidelity Association of America has launched its new online Case Summary Law Library. The new Case Summary Law Library currently includes a searchable database of 698

#### LAW LIBRARY

Search Case Description Field

Line of Business  Case Type  Associated Case Subtypes  Court Type  Case State

cases from 2017 to the present. Over 300 new cases will be added each year. This enhanced service is available for SFAA Members and Case Summary Subscribers.

With the Case Summary Law Library, it is easy to sort and search fields. Reports can be generated in PDF or Excel format. This is a great improvement over the static PDF documents, which are several hundreds of pages long. SFAA's subject matter experts continue to provide a descriptive analysis in each case summary.

An estimated 5,000 cases from 2002 and 2016 may still be found in the old PDF versions. SFAA plans to enter these older cases to the Law Library over the next year.

The online Case Summary Law Library can be accessed on the Case Summaries page at [www.surety.org/LawLibrary](http://www.surety.org/LawLibrary).

## Law Library



### Senate Closes in on Surface Transportation Bill Reauthorization

The Senate Environment and Public Works (EPW) Committee released its draft [surface transportation bill](#) to authorize funding for highways, roads, bridges and other surface transportation projects. The bill includes \$287 billion in revenue to fund surface transportation project, making it the

largest highway funding legislation in history. In addition, the legislation includes a new program to support projects to improve the resiliency of roads and bridges against natural disasters and extreme weather and provisions to further streamline project delivery.

SFAA has been working closely with members of Congress on the EPW Committee along with key committee staff on a bipartisan basis to encourage the inclusion of a bonding requirement for TIFIA financed public private partnerships (P3) projects. SFAA is continuing to advocate for the inclusion of its bonding provision in advance of the committee's scheduled [markup](#) on Tuesday, July 30, 2019.

### Senate Discusses Conflict with Federal Banking Laws for Cannabis Related Companies

Last week, the Senate Banking committee held a hearing to discuss the issues related to providing banking and other financial services, including bonding, to marijuana related businesses in states where marijuana has been legalized while it remains illegal under federal law. Members and witnesses focused on the risks associated with lacking access to the banking system including the public safety threats from operating in cash and the lack of visibility into the activities of legitimate businesses for anti-money laundering enforcement.



During his opening remarks, Senator Cory Gardner (R-CO) specifically mentioned difficulties both cannabis related companies and city officials have experienced in

securing commercial bond products. Senator Gardner stated that, “I’ve spoken to city official in Desert Hot Springs, California. For them, lack of banking means when they take in a million dollar bond for a cannabis business it takes days to count the cash, it takes several employees off their normal work and requires extra security guards.” Witnesses during hearing described how certain credit unions and banks have used the FinCEN guidance as a rulebook that allowed her credit union to bank the industry; however, witnesses urged further federal guidance was needed to give banks and insurers the confidence they are not breaking federal laws by servicing cannabis related companies.

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## **Ohio Budget Bill Enacted with Clarification that Bond Threshold Increase Applies Only to Contracts and Not Construction**

Ohio’s budget bill, HB 166, as enacted, includes clarifications that SFAA and Ohio Insurance Institute (OII) sought concerning an increase to the bond threshold for the Ohio Turnpike

Commission (Commission) projects from \$150,000 to \$500,000 to ensure it only applies to goods and not construction. The new law requires contracts for the purchase of goods to have a bid bond if they are in excess of \$500,000. A performance bond also will be required for such contracts in excess of \$500,000 for at least 50 percent of the contract price. The new law allows the Commission to bypass the competitive bidding process for purchases of goods when the Commission determines that competitive bidding was not practical or advantageous to it.

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*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.*