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SFAA Board Meeting Recap

On Thursday, May 28th SFAA hosted its first ever virtual **Board of Directors Meeting**, via Zoom, with great success. With **100% of the Board participating**, the engagement and flow of ideas addressed many of the opportunities and challenges facing the industry today. The SFAA

senior team, led by **Lee Covington SFAA President & CEO**, provided an overview of the past year's accomplishments, in addition to a discussion regarding each of **SFAA's 5 Strategic Priorities** moving forward. An extensive discussion took place on the unparalleled response and efforts by the SFAA, members and strategic partners to the **COVID-19 Pandemic** and the board accepted the recommendation of the Board appointed Private Bonding Task Force to move forward with a focused private bonding initiative to **increase private bonding** in targeted sub-segments within healthcare and education. Additionally, updates were provided on the data study's that were conducted to support the strategic initiative of **promoting the value of bonding**.



The meeting opened with **Larry Taylor** from Merchants Bonding and SFAA Chair, providing opening comments and remarks and passing the Chair seat to **John Welch** of CNA Surety. The Board voted in **new Directors** Kenneth Chapman (IFIC Surety), Rick Ciullo (Hartford Bond), Michael Keimig (Markel Surety), Bob Raney (The Travelers Companies) and Michael Seff (Intact). The Board also voted in **new Officers** John Welch, Chair (CNA Surety Group), Robert Murray, Vice Chair (Zurich), Larry Taylor, Past Chair (Merchants Bonding), Bob Raney (The Travelers Companies), Timothy Mikolajewski (Liberty Mutual Group) and Rick Ciullo (Hartford Bond).

The meeting ended with John Welch, new SFAA Chair, thanking three industry veterans for their leadership and contribution to SFAA and the industry. First, he thanked **John Knox, Markel Surety Corporations**, for his leadership on the SFAA Board since 2009 and his many contributions to both the industry and personal causes over his career. Next John thanked **Tom Kunkel, Travelers Corporation**, for not only his leadership on the SFAA Board since 2004 but for his service as SFAA Chair from 2009-2011. In addition, John provided an overview of Tom's commitment and leadership to **The Surety Foundation** and its success.

The final thank you went to **Larry Taylor** for his leadership over the past two years as SFAA Chair and the past 10 years on the SFAA Board. A [short video](#) was played featuring industry images of Larry at many key events and a narration, from Lee Covington, of Larry's many strengths and accomplishments. THANK YOU LARRY!

The SFAA Board Report can be viewed at by clicking [here](#).



House Passes Legislation to Provide More Flexibility for Recipients of PPP Loans

Last week, the House passed legislation that would provide businesses greater flexibility in how they are allowed to spend Paycheck Protection Program (PPP) loans while maintaining loan forgiveness eligibility. Some key changes include reducing the amount of the loan that

must be spent on payroll costs, increasing the minimum loan term from two to five years, and permitting businesses to defer payroll taxes without penalty when seeking loan forgiveness among other provisions.

The House bill was passed almost unanimously with significant bipartisan support and now heads to the Senate for consideration. The Senate has its own version of the bill that differs slightly from its House counterpart but leadership has indicated it may advance its bill as early as this week. SFAA supports lawmakers efforts to improve on the PPP to provide great flexibility for companies to decide how best to use relief loans.

Senate Committees Announces Hearings on Infrastructure

This Thursday, the full Senate Environment and Public Works (EPW) Committee will hold a hearing titled Infrastructure: The Road to Recovery. Additionally, the Senate Commerce Committee announced it will also be holding a hearing on the critical need for transportation infrastructure in the wake of COVID. Both hearings will feature leading transportation trade associations that have been calling for significant infrastructure investment to address shortfalls caused by the pandemic. The COVID-19 pandemic has had a devastating impact on many aspects of state budgets putting into question how they will fund transportation projects in the near future. SFAA strongly supports efforts to advance significant federal infrastructure legislation to ensure "greenlit" state infrastructure projects are not derailed in the wake of the pandemic. House Majority Leader Hoyer has also indicated his chamber intends to introduce an infrastructure package in the summer of



2020. Infrastructure is poised to remain a top policy topic in Congress over the coming months before the current highway funding program expires at the end of September.



Harvard Business School Publishes a Study on Occupational Licensing

A [study](#) by Harvard Business School found indications that occupational licensing doesn't affect consumer decision-making, nor does it increase overall service quality. The study examined the effects of professionals' prices, online ratings, and occupational licensing credentials on customer

decision making and measured customer satisfaction in the markets with stricter occupational licensing requirements. The results of the study indicated that customers value online reviews and the price of service more than occupational licensing credentials. While the author of the study doesn't advocate for the complete abolition of occupational licensing, it is an interesting report and may well play a role in ongoing public policy discussions and future legislative activity in this area.

SFAA Updates State Legislative Reports

SFAA has updated several of its legislative tracking reports. The new Priority State Bills Legislative Report is available for members to access [here](#). Additionally, State Comprehensive Legislative Reports by line are available for Members at the following links: [Contract](#), [Commercial](#), [Fidelity](#) and [Bail](#).



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