



Surety & Fidelity

Weekly 

In This Issue

SFAA Co-Hosts Webinar with Associated Builders and Contractors (ABC) on the Impact of COVID-19 on the Surety Industry

Negotiations Continue on the Next COVID-19 Relief Bill

Congress Approves the Great American Outdoors Act

Senate and House Approve Separate Versions of Defense Bills NDAA

Save the Date for the Following Committee Meetings Via Zoom



SFAA Co-Hosts Webinar with ABC on the Impact of COVID-19 on the Surety Industry

With over 200 industry professionals registered - ABC's President Mike Bellaman moderated a panel with industry leaders Michael Gross of CNA Surety, Steve Nelson of Markel Surety, and Thomas McClellan of Zurich Surety. The webinar featured a robust Q&A about the future of the surety industry and what to expect in the coming months.

When the panel was asked to compare this recession to the 2008 recession, they agreed that the United States was better prepared for this recession, but expects the recession to hit construction in six to eighteen months. Panelists agreed that there was a significant increase in collaboration among trade associations during this pandemic. The panel also provided advice to contractors during the webinar, urging them to remain transparent and to be prepared for an unknown future, particularly as it relates to supply chains. In their final remarks, Mike asked the panel about the future of the surety industry and all unanimously agreed that over time, surety would make a full recovery and will likely

Negotiations Continue of the Next COVID-19 Relief Bill

Negotiations are ongoing in Washington on the contours of the next COVID-19 relief package. Discussion between Senate leadership and the White House continued over the weekend and reports indicate that the proposal will likely

include another round of direct \$1,200 payments, significant financial aid for schools and universities, and liability protections among other provisions. Notably, Republicans have indicated that they will propose cutting weekly emergency unemployment benefits from \$600 to \$200 until states can bring a more complicated program online.



Reports also indicate that the Senate is not considering significant aid for state and local governments whose budgets have been significantly impacted by the pandemic. By contrast, the House HEROES ACT allotted nearly \$1 trillion to state and local governments to fill budget gaps exacerbated by reduced revenue and emergency expenditures. Key stakeholders in the construction sector, including SFAA, have advocated for direct infrastructure funding to be included in the package. The construction sectors have also supported including further financial support for construction employers & employees and greater leniency and protections for businesses contracting with the federal government.

Senate Republicans are expected to release their proposal today; however, their relief package will need to be negotiated and reconciled with House Democrats who have indicated a strong desire to pass significant COVID-19 stimulus legislation. Leadership in both chambers of Congress have expressed the need to pass COVID-19 relief legislation before adjourning for August recess.



Congress Approves the Great American Outdoors Act

Last week, Congress approved the bipartisan Great American Outdoors Act which sets aside \$9.5 billion to address the estimated \$12 billion infrastructure maintenance backlog for national parks and other federal lands and permanently supports the Land and Water Conservation Fund, which was established in

1964 and uses offshore fossil fuel revenue to protect natural areas and water resources, at the maximum \$900 million per year. The program, which has existed for over 50 years, has been plagued by funding shortfalls and has only twice received the full \$900 million. A 2019 Pew Research Center-commissioned report by the Cadmus Group found that addressing the National Park Service's \$12 billion maintenance backlog would create or support an estimated 108,364 construction jobs. SFAA applauds Congress for advancing this important legislation that will provide more construction jobs and ensure our national parks receive much needed infrastructure improvements for years to come.

Senate and House Approve Separate Versions of Defense Bills NDAA

On July 23 the Senate passed its bipartisan version of the National Defense Authorization Act (NDAA) for Fiscal Year 2021 by a vote of 86 to 14. The Senate bill authorizes \$740.5 billion for national defense programs, including \$636.4 billion for the Department of



Defense, \$25.9 billion for Department of Energy national security programs \$69 billion for war operations. [The House approved](#) its version of the NDAA on July 21; however, the Trump Administration has expressed opposition to the House passed version. Notably, the House Version of the bill included an amendment introduced by Rep. Golden and supported by the Construction Industry Procurement Coalition that would require equitable adjustment and prompt payment for small businesses performing a construction contract awarded by a federal agency if a change order is requested. Differences between the House and Senate versions will be negotiated in a conference to be scheduled some time this fall.



Save the Date for the Following Committee Meetings Via Zoom

Commercial Surety Advisory Committee – September 10th 1pm-3pm
Contract Bonds Advisory Committee – September 17th 1pm-3pm
Surety Claims Advisory Committee – September 2nd 1pm-3pm

The meeting materials and the agendas will be posted on the website next month.

STAY CONNECTED



Upcoming Events

Advocacy News

Statistical News

Regulatory News

SFAA Weekly Archives

Law Library

Contact Us

The Surety & Fidelity Association of America
www.surety.org

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.