

Surety & Fidelity WEEKLY

 **The Surety & Fidelity**
ASSOCIATION OF AMERICA
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President Biden Announces \$2 Trillion Infrastructure Plan

Last week, President Biden announced his "[American Jobs Plan](#)" which outlines roughly \$2.25 trillion of infrastructure investment over the next decade. The plan, which President Biden unveiled during a speech in Pittsburgh, proposes investing \$621 billion in transportation, with a focus on roads, bridges, transit, and electric vehicles (Bloomberg). The proposal also includes investing in workforce development; and expanding access to high speed broadband, among other provisions. White House officials said that the proposal will modernize 20,000 miles of highways and roads, repair 10,000 bridges, and build a network of 500,000 electric vehicle chargers.



The Associated General Contractors released an [in-depth analysis](#) of Biden's infrastructure plan and the potential impacts for the construction industry.

After SFAA Works in Opposition, A Change to Hawaii's Little Miller Act Fails to Advance



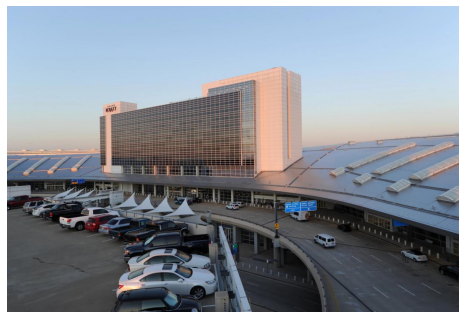
In recent months, SFAA has worked in opposition to a bill in Hawaii that would alter the state's Little Miller Act by requiring public contractors to provide bonds that would assure public works projects far past their completion.

Under Hawaii's Little Miller Act, any construction contract which is estimated at a value of \$25,000 or more, the contractor must provide bid security in the form of a surety bond, equivalent cash value, or other means specified in the terms of the contract. This includes performance payment bonds in an amount equal to 100% of the contract cost.

As presented, [HI HB 1325](#), would add language to existing law which would mandate "insurance" coverage on public works projects for defects associated with the construction of any project for a period of ten years after completion. The original amended language of the bill refers to insurance, but further context reveals that this is meant to be a warranty or maintenance-type bond and fails to make this crucial distinction from the previously mandated coverage by the performance and payment bonds. SFAA worked with partners in the state to educate members of the House Consumer Protection and Commerce Committee as to how the proposed language would create situations where sureties could no longer write performance and payment bonds for contractors working on public works projects in the state as no product exists that could provide this mandated ten-year coverage. As a result, the bill failed to advance through the Hawaii state legislature's crossover deadline and the measure has been deferred for the 2021 legislative session.

SFAA is committed to preventing undesirable changes to Little Miller Acts and will continue to monitor this bill for reintroduction in the next legislative session.

SFAA and NASBP Submit Comment Letter on DFW Bond Forms



The Surety and Fidelity Association of America (SFAA) and the National Association of Surety Bond Producers (NASBP) recently submitted a comment letter concerning the performance bond and payment bond forms required by the Dallas/Fort Worth International Airport (DFW) for an EV charging station project. The comment letter, submitted to DFW on March 29, 2021, primarily focuses on the bonds which contain several onerous provisions. SFAA and NASBP's comments generally addressed the following concerns in the bond form:

- Surety completion options assumed by DFW
- Surety must relieve DFW and its representatives of securing principal's compliance with contract
- Surety waives notice of default
- Automatic and unlimited increase in bond amount
- With DFW-mandated completion option, surety only has seven days to commence performance
- Consequential damages included in the bonds and the contract

The full comment letter is available [here](#).

SFAA and NASBP Host Virtual Legislative Fly-In, Largest Participation To Date

The Surety & Fidelity Association of America (SFAA) and the National Association of Surety



Virtual Legislative Fly-In

Bond Producers (NASBP) held their first-ever Virtual Joint Legislative “Fly-In” on Thursday, March 25, 2021. The SFAA and NASBP Joint Legislative Fly-In was a huge success with over 100 attendees participating in 133 meetings throughout the day, making this the largest SFAA Fly-In to date. The Joint Legislative Fly-In enabled surety professionals from across the country to educate members of Congress and

staff about the value of construction surety bonds and advocate for their legislative priorities.

“The virtual meetings allowed our members to show their strong support for new legislation introduced by Senator Chris Van Hollen (D-MD), Senator Mike Rounds (R-SD), Congressman Stephen Lynch (D-MA) and Congressman Troy Balderson (R-OH) to clarify the bonding requirements under the Transportation Infrastructure Finance and Innovation Act (TIFIA), as well as legislation continuing bonding protections at current levels for federal projects,” said Dalton DeFendis, Director of Federal Affairs for SFAA.

Larry LeClair, Director of Government Relations of NASBP added, “With delivering an infrastructure package a key legislative goal of the new White House and of Congress, having surety professionals explain the critical role surety bonding requirements play in protecting federal funding resources and in delivering quality construction of infrastructure projects has never been more timely or important.” “The virtual fly-in will connect congressional offices with subject matter experts on surety to help them make key policy decisions as they formulate legislative solutions to address the need for transportation, broadband, and other types of infrastructure,” LeClair emphasized.

Read the full [press release](#).

Register Today: Surety Lab Workshop on Powers of Attorneys



SFAA joined a newly-formed blockchain working group created by The [Institutes RiskStream Collaborative™](#), the risk management and insurance industry’s largest enterprise-level blockchain consortium. The working group is focused on streamlining the power of attorney registration and verification process within the surety industry. Participants will help improve the current processes by using blockchain technology. Carriers, agencies/brokers, reinsurers, industry trade associations and technology solution providers are welcome to attend.

Register for the upcoming sessions:

Surety Power of Attorney Lab - Session 3 of 3
 When: **Apr 28, 2021** 09:30 AM Eastern Time (US and Canada)
[Registration Link for Session 3](#)

After registering, you will receive a confirmation email containing information about joining the meeting.

Updated Resources Available to Members



The **Law Library (Case Summary Database)** can be found [here](#).



End-of-Session Reports can be found [here](#).



Proposed & Adopted Regulations can be found [here](#).



New Bonding Opportunities can be found [here](#).

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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.