

# Surety & Fidelity WEEKLY



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## Upcoming Meetings & Events

**RiskStream Surety Lab Workshop on Powers of Attorneys** on April 28, 2021. [Registration Link for Session 3.](#)



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## SFAA Provides Expert and Modules to the Mississippi Development Authority's Virtual Contractor Development Course



The Mississippi Development Authority (MDA) will host a 9-week Virtual Model Contractor Development Program starting this month. The entire program is based on SFAA's MCDP course and its eight modules. During the opening night of the program, Billy Painter of Alliant Construction Services will speak to the Importance of Bonding on behalf of SFAA. Later in the course, MDA secured Maurice Evans with SouthGroup - The Evans Agency to facilitate the Bonding and Insurance session. This 9-week program is intended for anyone aspiring to become a small business owner as well as those who are minority and women-owned business owners.

Additional information on this program can be found [here](#).

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## SFAA and Travelers to Present on the



## Value of Bonding and Insurance at SBTRC's 2021 Bonding Education Program

During the 2021 Bonding Education Program, which will be held by the US DOT's Small Business Transportation Resource Centers (SBTRCs) starting on April 19th, Marshall Minoux from Travelers will present on behalf of SFAA on the Bonding and Insurance segment. This particular program features the JFK Airport Terminal One and Terminal 8 Redevelopment Project. The SBTRCs work closely with the transportation contracting community and other technical assistance providers to serve small, disadvantaged transportation businesses. The SBTRCs provide an array of technical assistance to help build the capacity of small and disadvantaged businesses, making the businesses more competitive when bidding on DOT procurement opportunities and federally-funded contracts.

Additional information on the 2021 Bonding Education Program can be found [here](#).

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### SFAA's Strong Opposition Derails 10-Year Warranty Amendment to Hawaii's Little Miller Act

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 "insure" public works projects for ten years after 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.

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### SFAA Evaluating Fidelity Bonding Issues Related to Labor Department's New Regulations Concerning Pooled Employer Plans

The SFAA is working to schedule a meeting with the Department of Labor's Employee Benefits Security

Administration to address the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act) and application of the Bonding requirements prescribed in Section 412 of ERISA to "handlers" of pooled employer plan assets.

As stated in the Department of Labor's Field Assistance Bulletin No. 2008-04, ERISA section 412 generally requires every fiduciary of an employee benefit plan and every person who handles funds or other property of such a plan to be bonded. SFAA is looking to gain an understanding of how the Department envisions the application of the bonding requirements to those individuals who assist in the collection and transmission of plan contributions by the employer on behalf of the participants and to discuss appropriate solutions acceptable to both the Department and Fidelity Insurers while providing coverage that complies with the regulation.

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## 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.

### Slack Surety Workspace

Your active participation, collaboration and input inspires, motivates and strengthens the advancement and success of innovating the global Surety industry. RiskStream is providing a forum for participants to stay informed, exchange ideas, and receive instant notifications throughout this journey. [Join the RiskStream Collaborative Surety Slack workspace.](#)

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## 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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