

Spring 2015

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Welcome!

The LSA Communiqué is a quarterly electronic newsletter for local surety associations. Please forward this newsletter to your members, so they are aware of SIO publications and industry information of interest to them. If you have comments, suggestions, or LSA news to report, please contact [Stephanie Robichaux](#).

SIO Awards and Tiger Trust Winner Announced

Ten local surety associations (LSAs) were presented with SIO's 2014 Advocacy Awards and the Silver and Gold Awards for Excellence in Surety Bond Promotion this spring at the annual meetings of The Surety & Fidelity Association of America (SFAA) and the National Association of Surety Bond Producers (NASBP). These awards recognize LSAs for conducting activities that promote the value and protections of contract surety bonds in construction to non-surety audiences. There were no Platinum Award nominations submitted this year. John Bustard, Mary Alice McNamara, Jacob Fulmer, and Stan Halliday were awarded the Tiger Trust.

Please visit the [SIO Awards](#) site for a summary of the activities that earned these LSAs their awards.

Silver Award

Three LSAs conducted at least five activities in 2014 to promote the use of contract surety bonds and will receive the Silver Award:

- [Surety Association of Illinois](#)
- [Surety Association of Indiana](#)
- [Surety Association of St. Louis](#)

Gold Award

Four LSAs conducted at least 10 activities promoting the use of contract surety bonding, qualifying it for the Gold Award:

- [Florida Surety Association](#)
- [Surety Association of Kansas City](#)
- [Surety Association of Ohio](#)
- [Surety Association of San Diego](#)
- [Surety Underwriters Association of Southern California](#)

Advocacy Award

Four LSAs conducted significant activities, other than public relations or educational, advocating for suretyship, such as fighting legislative efforts to waive bonds or increase bond

thresholds, or advocating for reasonable bond terms.

- [Florida Surety Association](#)
- [Surety Association of Wisconsin](#)
- [Surety Association of Illinois](#)

Tiger Trust

One of the biggest challenges we face, as an industry, is having the private sector require surety bonds. The Tiger Trust recognizes SFAA and NASBP members who persuade a private construction project owner or lender to require surety bonds on a project. With all of the myths and misconceptions about surety, it often is an uphill battle to get buy-in from private owners, but the four Tiger Trust awardees—John Bustard, Mary Alice McNamara, Jacob Fulmer, and Stan Halliday--accepted the challenge and succeeded. Their efforts impacted not only these target projects but also the industry as a whole.

John persuaded the Kapi'olani Medical Center for Women & Children to require Treasury-listed bonds as part of two of its projects---a new parking garage and a newborn and pediatric intensive care unit. The contracts together totaled \$160 million. In addition, the Medical Center followed John's recommendation to require a bid bond on the competitively bid New Bingham Parking Garage project.

Rating agencies are critical players in P3 finance and many in the surety industry have been working to educate them about our product and its value, and learn of their concerns. Mary Alice, Jacob, and Stan took this a step further with great success. Not only did they meet with those agencies and use real examples of just how surety bonds work in a default situation, but Travelers then developed an Expedited Dispute Resolution Bond Form that contains no liquidity provision (which is the previously preferred form of performance security on P3 projects), but does assure prompt response in the event of a declaration of default. As a result of their efforts, the surety industry will benefit from 100% bonds on two large P3 projects, totaling over \$1.25 billion in construction value, the Indianapolis Justice Center and the Pennsylvania Bridges Rehabilitation Project. Three leading sureties will participate on these bonds. The use of bonds on these projects also set a strong precedence for the use of bonds on future P3 projects.

Judges

The awards and Tiger Trust are judged by the [SIO Policy Board](#), which is composed of SFAA and NASBP executive committee members. SFAA representatives are William Waters, CNA Surety; Ross Fisher, Hartford Fidelity & Bonding; Roland Richter, Liberty Mutual Surety; and Lynn M. Schubert, SFAA President. NASBP representatives are Thomas Padilla, HUB International Insurance Services of Albuquerque, NM; Susan Hecker, Arthur J. Gallagher & Co.; Stephen A. Spencer, Insurance Associates Inc.; and Mark McCallum, NASBP Chief Executive Officer.

SIO Partners with *ENR* to Publish Surety Supplement

SIO once again will team with *Engineering News-Record* to deliver the most widely distributed coverage of surety bonding of the year by producing its annual surety advertising supplement.



SIO develops the editorial content for the special surety supplement, which is slated to be published in the June 30, 2015, edition. Written by SFAA and NASBP staff and surety industry professionals, the surety supplement will feature an overview of today's surety marketplace and will contain articles on this year's theme, "The Surety Industry: Recent Challenges and Successes and Looking Ahead."

Full-page SFAA- and NASBP-member advertisers are entitled to participate in the “Executive Viewpoints” column. **The advertising deadline to be included in this benefit is June 5, 2015.** NASBP and SFAA members enjoy discounted advertising rates. If your agency or company would like to be a full- or partial-page advertiser, please contact your *ENR* account manager or [Adam Palant](#), Inside Sales and ENR Special Sections Manager, at (212) 904-2669.

SIO has collaborated with *ENR* to develop the surety supplement since 1995. *ENR* distributes the issue to its entire 60,000-plus weekly paid subscribers. Additionally, an electronic version will be available to view and download from the SIO website.

You may view and download the June 2014 surety supplement via the [SIO website](#).

LSA Directory Update

SIO thanks LSAs for revising their officers’ rosters for 2015. SIO maintains this roster online in its [LSA Directory](#), because hundreds of visitors to the SIO website access this directory throughout the year looking for local contacts for their surety questions or concerns.

Throughout the year, LSAs can update their rosters as officers are replaced or have addresses or other contact information changed by contacting [Stephanie Robichaux](#).

Local Surety Association Officers Directory

To find an LSA in your area, click on a state below.



SIO

Surety Information Office

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SIO is a joint initiative of the National Association of Surety Bond Producers (NASBP) and The Surety & Fidelity Association of America (SFAA).

This electronic newsletter is distributed quarterly to presidents of local surety associations. If you have received this email in error, or if your contact information has changed, please contact Stephanie Robichaux at srobichaux@surety.org.