

March 2007

[Home](#) | [SIO Stuff](#) | [PPTs](#) | [News](#) | [Awards](#) | [About](#) | [Update LSA](#)

Headlines

- [Surety Association of Ohio Builds Clout with Alert System](#)
- [Be Seen With SIO's Exhibit Posters](#)
- [Two Popular PowerPoint® Presentations Revised](#)
- [It's a Wrap! SIO Completes LSA Directory Updates](#)

Surety Association of Ohio Builds Clout with Alert System

The City of Akron, Ohio, has about \$800 million in school projects under way today. And one of the great things about these projects is, Surety Association of Ohio (SAO) President **James Pappas** says, there are no long-term warranties on any of them.

That's because the association has addressed long-term warranties aggressively through an alert system envisioned and developed by past president **Marc Oravec**, Westfield Group.

"His foresight and extra effort has benefited the association and our members," says Pappas, Westfield Group.

Pappas explains that SAO members comb the local builders exchange—an online system where project owners post jobs to reach the maximum number of bidders—for warranty issues, bond waivers, onerous contract language, and erroneous bond forms. When members learn of issues that might negatively affect the surety industry, they immediately notify SAO, which scans pertinent documents, attaches the files to an e-mail, and blasts an e-mail alert to all SAO members.

SAO uses a free Yahoo e-mail account for all SAO members, but other local surety association could direct e-mail alerts to members' work e-mail addresses, as long as those are maintained regularly.

SAO then sends a letter to the project owner or architect—and members are encouraged to do the same—to explain that the long-term warranty will limit their pool of bidders, and thus will cost more to complete the project. This often results in project owners or architects being inundated with correspondence from SAO, surety companies, surety agencies, contractors, and others persuading them to amend their specifications.

"The key is we are able to respond immediately and have a proactive effect," Pappas says.

The local builders exchange is not a nationwide service, but it is available through subscription in many states. SAO members also keep close eyes on the Ohio Department of Transportation Web site and keep apprised of issues through their contractor clients.

"Since we have been using this alert system, we have developed relationships with the key architects, engineers, and owners," Pappas adds. "We have been

able to educate them on suretyship, the impact of erroneous specifications, and the effect on project costs and the pool of bidders.”

To demonstrate the system’s effectiveness and value, SAO also notifies its members of successes. This, Pappas says, breeds a culture of diligence and proactiveness by members. For example, in an e-mail to members earlier this year, SAO shared three projects that were amended to clarify potential warranty exposure for the surety. The first showed a specific surety bond obligation limiting the surety bond exposure to two years. A second project addendum revised a five-year roof warranty to two years, and the third project addendum revised a 30-year roof warranty to two years.

“The association’s efforts are paying off,” Pappas said in the e-mail to members. “Please continue to lobby the architects and owners to maintain industry standard warranties (one or two years) on public projects.”

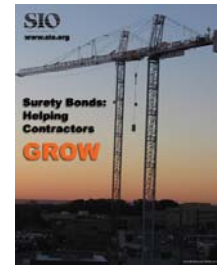
For more information about SAO’s alert system, please contact **Pappas** at 800-311-8601.

[Back to top](#)

Be Seen With SIO’s Exhibit Posters

Are you planning to exhibit at a trade show, conference, expo, career day, or other meeting this year? Now, local surety associations can “check out” new 20” x 24” tabletop exhibit posters.

Designed for various audiences, these light-weight FoamCore® posters have replaced an older, heavier tabletop exhibit booth SIO previously made available for LSAs.



There are eight new exhibit posters to choose from:

Emerging Contractors

- **Surety Bonds: Helping Contractors Grow**

Public Owners

- **Surety Bonds on Public Projects: Protecting Taxpayer Dollars**

Private Owners

- **Surety Bonds: Financial Security, Construction Assurance**
- **Surety Bonds: Protect Your Investment**
- **Construction is a risky business ... Protect your investment with a surety bond** (Best for smaller owners)
- **Construction is a risky business ... Protect your investment with a surety bond**

Bankers/Lenders

- **Protect construction lending capital with a surety bond**

SIO Materials

- **SIO: The information source on contract surety bonds**

SIO will ship the posters and promotional materials anywhere in the country to help you increase your LSA’s exposure. Simply return the posters to SIO after your event. To check out the posters, contact the **Surety Information Office** at (202) 686-7463.

[Back to top](#)

Two Popular PowerPoint® Presentations Revised

SIO has updated two popular PowerPoint® presentations available through the SIO Web site:

- “**Contract Surety Bonds: Understanding Today’s Market**” examines the current state of, and outlook for, the surety industry for 2007.
- “**Why Do Contractors Fail?**” explains the reasons a contractor may default on a project and gives warning signs that a contractor may be in trouble.

The presentations are among 15 that can be downloaded from **SIO’s Web site**.

Be sure to **order SIO materials** to distribute to your audience.

[Back to top](#)

It’s a Wrap! SIO Completes LSA Directory Updates

SIO would like to extend a warm thank you to each of the 47 local surety associations for being so responsive to the recent request to update the officers’ rosters. The updated directory listing is posted on the **SIO Web site**.

If you have any corrections, please contact **Marc Ramsey** at (202) 686-7463.

It’s not easy keeping up with 188 individuals, and we appreciate your commitment to helping us maintain these contacts. Almost 500 people seeking surety professionals locally or who have questions about surety bonding on a local level have visited SIO’s online LSA Directory in the first two and a half months of this year!

[Back to top](#)

Marla McIntyre
Executive Director

Marc Ramsey
Communications Manager



Surety Information Office
1828 L St. NW, Suite 720
Washington, DC 20036-5104
(202) 686-7463 | Fax (202) 686-3656
www.sio.org | sio@sio.org

LSA Communiqué - An information exchange for the promotion of surety bonds published by the **Surety Information Office (SIO)**

Copyright 2007 © Surety Information Office