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How Can Your LSA Promote Bonding?

Is your LSA exploring ways to promote surety bonds in construction? Maybe you're just looking for some fresh ideas. In either case, a good place to start is to follow the lead of the local surety associations that have won SIO's Awards for Excellence in Surety Bond Promotion.

SIO presented the 2007 Silver and Gold Awards for Excellence in Surety Bond Promotion to 10 LSAs and seven individuals at the annual meetings of the National Association of Surety Bond Producers (NASBP) and The Surety & Fidelity Association of America (SFAA). Three other individuals were inducted into the prestigious Tiger Trust.

Photo Galleries

- [NASBP Annual Meeting](#)
- [SFAA Annual Meeting](#)

Here is a summary of activities that LSAs and individuals conducted in 2007:

Silver/Gold

- **Alabama Surety Association** – This LSA has a solid history of promoting contract surety bonds, having won awards since 1998. It has a standing invitation to teach at Auburn University and educates CPAs and contractors on the benefits of bonding.
- **Florida Surety Association** – FSA casts a wide net, educating students, contractors, public officials, and state legislators on benefits of bonding. Its members effectively lobby on onerous bond forms, bond waivers, and contractor licensing.
- **Surety Association of Illinois** – This group met with 46 school districts and other public officials on onerous contract provisions and warranty issues and offered The Surety & Fidelity Association of America's (SFAA) **Model Contractor Development Program** to emerging contractors.
- **Surety Association of Indiana** – SAI teamed with the Indiana Department of Administration and MBEC to educate and help emerging contractors obtain bonding. SAI also defeated a proposed \$500,000 bond threshold and conducted outreach to bankers.
- **Surety Association of Kansas City** – This group educated contractors, students, and CPAs. Members met with small business owners and wrote articles. Community outreach shows the community and contractors that surety professionals do have a heart.
- **Surety Association of Nevada** – Members met with public entities on bonding requirements and contractor licensing issues, convincing the South Nevada Public Works Board to establish bond requirements. The group also worked with emerging contractors.

- **New York City Surety Association** – This is a growing LSA that we will hear more of in coming years. It successfully convinced at least 14 public owners to change onerous warranties and bond forms.
- **Surety Association of Ohio** – SAO addressed the issue of subcontractor default insurance and was exceptional in its outreach efforts to private owners and bankers. The group educates and enables emerging contractors to obtain bonds, while educating public owners at the same time.
- **Surety Association of St. Louis** – This LSA educated contractors on bonding capacity and retainage laws and public owners on onerous language. Community outreach efforts cast a positive light, especially with the Construction Careers Center.
- **Surety Underwriters Association of Southern California** – This group's efforts to educate emerging contractors resulted in many contractors and subcontractors qualifying for bonding. Student outreach included presentations and \$2,000 scholarships.

Platinum

- **Mike Battenfield**, The Hartford, Heathrow, FL – Battenfield is a driving force behind the success of the Florida Surety Association. He played critical roles in the group's legislative efforts to combat onerous bond forms and bond thresholds. Efforts included helping establish a bond guarantee program for minority contractors for the Florida Black Business Investment Board; testifying before the Construction Industry License Board on the Florida Financially Responsible Officer bond; and presenting to emerging contractors attending a FAMU/FDOT program and design professionals attending Design Build Institute of America (Florida Chapter) meetings.
- **Matt Curran**, CNA Surety Corp., Maitland, FL – A huge contributor to the success of the Florida Surety Association, Curran met with staffers of a number of Florida Representatives and Senators to educate them about surety bonding; worked closely with FSA's lobbyist on 2008 objectives; and was very involved in FSA's legislative efforts against bills that negatively affect the surety industry. Personal efforts included presentations to contractors attending an ABC Leadership class; public officials attending a Florida Government Finance Officers Association meeting.
- **Michael Dennis**, Liberty Mutual Surety, Maitland, FL – As Florida Surety Association President, Dennis manages a very active LSA, which continued its focus on legislative education and lobbying against bond thresholds and onerous bond forms. Leadership efforts included testifying before the Construction Industry License Board on the Florida Financially Responsible Officer Bond, resulting in the bond threshold being reduced from \$500,000 to \$100,000 and an onerous cancellation provision being revised to the standard 30-day provision; testifying before the Construction Industry License Board on a proposed contractor license bond requirement; spearheading local legislative issues; and discussing bonding programs for minority contractors with the Florida Black Business Investment Board.
- **Gary Dunbar**, Great American Insurance Co., Cincinnati, OH – An influential leader in the surety industry and advocate for surety bonding for emerging contractors, he encouraged surety companies to help these contractors obtain their first bonds and become the successful and established construction companies of the future. Personal efforts included presentations to University of Cincinnati construction management and finance students; accountants attending AICPA Construction Executive Forum; and bankers attending a three-hour Risk Management Association Webinar, "Banking & Bonding: Mitigating Construction Risk." He also was a cited source in a March 2008 RMA Journal article, "Red Flags & Warning Signs of Contractor Failure."
- **Ed Heine**, Payne Financial Group Inc., Missoula, MT – Heine encouraged Surety Association of Washington members to actively promote surety bonds. Personal efforts included presentations to bankers attending the RMA "Banking & Bonding" Webinar; CPAs attending a regional Washington CPA/SFMA conference; and being cited in the RMA Journal "Red Flags" article.
- **Steve Nelson**, SureTec Insurance Co., Austin, TX – In addition to his many public contributions to the surety industry, Nelson makes numerous private,

daily contributions to contractors, underwriters, and agents. Efforts included presentations to attorneys attending state Bar of Texas construction law conferences; University of Texas construction engineering and program management students attending his "Advanced Legal Concepts" course; and contractors attending an AGC Houston project management course. His "Bonding for Dummies - and the Rest of Us Too," presentation to contractors, public owners, and private owners at the COAA Owners Leadership Conference in Las Vegas yielded him the highest rating of all speakers.

- **Michael Youngblut**, Hess Egan Hagert & L'Hommedieu, Chevy Chase, MD – Youngblut embarked on an intensive campaign to inform and educate M&T Bank's 13,000 employees in 600 branches and regional offices on the benefits and advantages of surety bonds over bank letters of credit, initiating a sweeping change in the bank's policy, practices, and culture.

Tiger Trust

- **David G. Miclette**, Bowen, Miclette & Britt Inc., Houston, TX – Miclette persuaded Texas Children's Hospital to bond its \$700 million Neurological Research Institute Project. Phase I was bonded for \$26 million. A hospital board member said, "[Miclette] clarified the issues and helped us understand our need to purchase bonds. We have another \$800 million project soon under way and we will be purchasing performance bonds on that building as well. Everyone involved feels that we made an informed decision due to [his] valuable input."
- **Matthew J. Rosenberg**, Rosenberg & Parker, Bala Cynwyd, PA – Rosenberg convinced SAP America to bond its \$100 million+ headquarters expansion project. SAP said, "[Rosenberg's] expertise and assistance was instrumental in persuading SAP to use various surety products for this project, despite a very strong push from the construction company to use ... Subguard."
- **Michael A. Viner**, HRH of Northern New England, Auburn, ME – Viner persuaded LL Bean to bond its \$20 million order fulfillment center expansion. An LL Bean risk manager said, "[Viner's] explanation of the benefits and highlighting the added protection gained with a bond on the design element of the contract helped us make a very compelling case as the cost review of the project was under way. After the many discussions we held with [him], we gained a much better understanding of the importance of bonds. We also realized that we should find a way to 'institutionalize' some of those learnings. We have developed a draft performance bond decision tree that we will present to our CFO for review this spring with the recommendation that it be used with all future projects."

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Additional Resources

1. [LSA Communiqué](#)
2. [2006 Award Winners](#) (May 2007 LSA Communiqué)
3. [LSA Handbook](#)
4. [Awards for Excellence in Surety Bond Promotion](#)
5. [PowerPoint® presentations](#)
6. [Promotional Tools](#)
7. [Online Store](#)
8. [LSA Web Sites](#)

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Online LSA Handbook

SIO and The Surety & Fidelity Association of America developed the online [LSA Handbook](#) to provide LSAs with a central source of information related to development, stewardship, and expansion of their associations.

Please add www.sio.org/Surety/lsa_handbook/index.html to your Web browser "Favorites" and forward this link to your members.

Comments and suggestions for additional information are always welcome. Please contact SIO at (202) 686-7463 or sio@sio.org with ideas.

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