



For Immediate Release

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SFAA & NASBP Issue Revised Electronic Surety Bonding Guidelines

Best practices for project owners and procurement agencies at all levels of government

May 19, 2021 (WASHINGTON, DC) – The Surety & Fidelity Association of America (SFAA) and the National Association of Surety Bond Producers (NASBP), the surety industry’s leading trade associations, jointly issued [revised guidelines](#) on electronic surety bonding and digital signature best practices for bond obligees and public officials seeking to improve procurement processes.

“Demand for more digitized workflows has accelerated the surety industry’s transition to electronic bonding,” stated Lee Covington, SFAA President and CEO. “Public agencies need to move away from exclusively requiring hardcopies of bonds with wet-ink signatures and impressed seals and adopt new technologies allowing for a more efficient electronic bonding process. The COVID-19 pandemic reinforced the urgency and immediate need to move to ebonding,” added Covington.

“NASBP and SFAA have made it a priority to urge federal, state, and local officials to accept the electronic execution and delivery of surety bonds for construction contracts and for other commercial purposes,” stated Mark McCallum, NASBP CEO. “We know bond obligees and public officials are looking toward the surety industry for guidance, as they seek to move from paper to paperless environments. These jointly drafted electronic bonding guidelines provide needed guidance from the surety industry to decision-makers as they contemplate that transition,” related McCallum.

The goal of the Guidelines is to ensure bond stakeholders reap the benefits of streamlined processes, reduced redundancies, and increased productivity. The newly updated Guidelines contemplate the elements necessary for enforceable contracts and remain mindful of protecting the integrity of bond transactions as those transactions move from physical to electronic environments.

Surety bonds remain a critical component of and necessary protection for public procurements, and bond obligees should include the acceptance of electronic bonds in their plans for procurement modernization. NASBP and SFAA will continue to monitor advances in electronic bonding activities and to issue helpful, practical guidance to assist with such modernization efforts.

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The Surety & Fidelity Association of America (SFAA) is a trade association of more than 425 insurance companies that write 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. <https://www.surety.org/>

*Founded in 1942, the **National Association of Surety Bond Producers (NASBP)** is the association of and resource for surety bond producers and allied professionals. NASBP members specialize in providing surety bonds for construction contracts and other purposes to companies and individuals needing the assurance offered by surety bonds. <https://www.nasbp.org/home>*