The Benefits of Maintaining Contacts Throughout Your Surety Career Extend Beyond Your Business

NASBP has been much more than a trade association for me. When I entered the surety profession almost 25 years ago, my uncle, Frank Loehnert, President of Willis Coroon, Ohio, at the time, gave me advice about the value of keeping in contact and developing relationships with the people you meet in this business. He said, "It's all about relationships. If you cannot trust the people you are conducting business with, it will not matter what their financial reports say." Throughout my career I have tried to put his advice into practice, and I have been rewarded many times over, as a result.

Less than two hours before I was to give my speech at the Regions 1, 2, & 3 Annual Meeting at Coeur D'Alene, Idaho, I received a call from my brother who told me that our mother was in the hospital, and that she may have had a stroke. I don't remember much about my presentation that August day or the hours following it, with the exception of the many expressions of genuine concern from staff, members, and affiliates in attendance. The next day my mother was diagnosed with a malignant brain tumor, and five months later, she passed away.

As I look back over the months since the day I received that call, I was greatly comforted by the numerous calls, e-mails, letters, and texts sent to me on a daily basis from NASBP members and affiliates. Nearly every day I would receive a communication from an NASBP Executive Committee member asking how I was doing. NASBP staff could not have been more helpful or understanding in working with me during this difficult time. This support from so many in the industry underscored what my uncle meant when he said, "It's all about relationships." In those five months, the support of my colleagues and friends in this industry helped me tremendously. Industry relationships have had a profound impact not just in my business, but also in my personal life.

Recently, I had the opportunity to share my uncle's wisdom with the Level I and Level II students at the January NASBP William J. Angell Surety School held in Houston, Texas. A student asked me this, "If you could give one piece of advice to the class, what would it be?" My answer was simple, "Maintain the relationships that you have developed with your fellow classmates, instructors, and colleagues throughout your career."

I consider myself extremely fortunate to be in a business where personal relationships are not only valued, but developed on a daily basis.

NASBP members and affiliates, thank you for your support and prayers during the past months.

God bless and continue to fulfill yourself through participation.

Todd P. Loehnert
President

Todd P. Loehnert is Senior Vice President, Bond Manager, and Co-chair of the National Surety Practice Group of Wells Fargo Insurance Services. Todd resides in Louisville, Kentucky and can be reached at Todd.Loehnert@wellsfargo.com

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New Editions of AIA Bond Forms Anticipated to be Released in Late Spring

The American Institute of Architects (AIA) has nearly completed its revision process for its widely-used bid, performance and payment bonds, AIA Documents A310 and A312. The current editions of these forms date from 1970 and 1984 respectively. I know that it goes without saying that their revision and the issuance of new editions is of significant import to all surety professionals.

AIA requested NASBP involvement in this historic process. NASBP laid the path for this opportunity when NASBP approached and engaged in a productive dialogue with AIA to issue a stopgap amendment to the A312 payment bond as a result of the impact of several state court opinions interpreting A312 language adverse to the interests of the surety industry. AIA listened to the concerns of the surety community, issuing a stopgap amendment ahead of the complete revision of A312.

NASBP participated at every point in the revision process of the AIA standardized bond forms, providing AIA with the producer perspective through written comments and through feedback at in-person meetings and conference calls with the AIA drafting task force during multiple rounds of the draft forms. From the outset, NASBP made clear to AIA its goal for participation:

"Our comments and observations are offered in the spirit of ensuring that the 2010 editions of these documents remain widely used and accepted by sureties, obligees, and principals, and that their terms fairly balance the interests of sureties, obligees, principals, and claimants. We believe that it is impractical if new editions of these documents recite terms that ultimately will not be acceptable to one or more of these groups or that will engender extensive modifications apart from inclusion of transaction-specific information."

In addition to the surety community, AIA pursued a revision process that rightly sought comments and feedback from various stakeholder groups: owners, contractors, specialty contractors, and construction lawyers. In the end, AIA assumes the difficult task of balancing these oft competing perspectives in a way that is seen by all to be fair. It is far from an enviable task, but based on my personal participation in this process and my discussions with the AIA counsels, it is one that I believe they can and will accomplish.

AIA anticipates publishing the new editions at the end of May or early June. NASBP is discussing with AIA staff the possibility of their participation in a Virtual Seminar on the new bond forms soon after their release. NASBP also will produce other educational materials to bring members, affiliates, and associates quickly up to speed on specific bond form changes and their significance to surety professionals. *Pipeline* will keep you informed of the development of these educational offerings.

Green Building Update: ConsensusDOCS 310 Green Building Addendum Issued as First Industry Response to Green Building Risk

Allocation

It is not just a bad pun to state that the number of green building projects continues to grow; it is the blossoming reality of the construction industry. Federal, state, and local green building mandates; tax incentives; accelerated permitting; environmental consciousness; and reduced operating costs are all factors driving this phenomenon. We are all aware that green building projects carry unique risks for contractors and subcontractors and for the sureties that issue bonds for such projects. Accordingly, it is critical that construction contracts adequately address the unique green building risks.

Despite the dramatic increase in green building projects, standard form contract documents did not adequately address green risk allocation—until the publication of ConsensusDOCS 310 Green Building Addendum ("GBA") in November 2009. ConsensusDOCS 310 is the first standard contract that addresses the unique risks and responsibilities associated with green building. I had the privilege of serving on the Associated General Contractor of America's Green Contract Document Working Group that drafted the GBA, and I believe that it can help mitigate the unique risks for parties on a green project by clearly identifying roles and responsibilities for owners, designers, contractors, and other participants on a construction project.

The GBA addresses various green contractual challenges by, among other things, identifying the following: allocation of participants' roles and responsibilities necessary to achieve the green building objectives; implementation and coordination critical to achieving a successful green project, especially one seeking third-party green-rating recognition; and creation of a Green Building Facilitator ("GBF"), a person or entity charged with the responsibility to coordinate submittal documentation to achieve green building goals.

ConsensusDOCS 310 has a flexible approach that works well not only with the ConsensusDOCS family of documents but also with other standard contract documents. Therefore, it can be adapted to projects seeking a LEED certification or other rating, such as Green Globes, Energy Star, or other high-performance building goals. The GBA was drafted to apply in the design-bid-build delivery process, not the design-build process.

If the GBA were appended to each of the project participant agreements, then each party should have a proper expectation of the various parties' roles and responsibilities, which, in turn, should help avoid delays and other legal disputes. One goal of the GBA is for all project participants to be aware of each other's roles and responsibilities as they relate to achieving the project's green objectives. Notably, the GBA does not reallocate project risks from the various project contracts unless the parties specifically choose to do so.

The GBA is comprised of eight articles: (1) General; (2) Definitions; (3) Green Requirements and Procedures; (4) Green Building Facilitator; (5) Green Status; (6) Green Measures; (7) Plans and Specifications; and (8) Risk Allocation. The GBA is accompanied by a Comments and Recommendations Document that provides explanatory information about the GBA and its uses. It should be noted that this GBA "informal manual" is no substitution for the language of the GBA itself but provides guidance for use of the GBA.

The creation of the GBF is one of the key characteristics of ConsensusDOCS 310. The GBF is appointed by the owner and could be the architect/engineer, contractor, construction manager, or even a third-party advisor/independent consultant, as long as the GBF is not an in-house employee or staff member of the owner. The title of "Green Building Facilitator" emphasizes the facilitative role of the GBF in coordinating the "green process." While the GBF facilitates the green process, it specifically does not assume the role or responsibilities of the architect/engineer or the contractor. The GBF is responsible for the submission and processing of all green certification documents.

Significantly, Article 7.8 of the GBA provides that a contractor shall not be required to provide or perform any green work that is not identified as the responsibility of the contractor in the plans and specifications incorporated in and required by its Governing Contract. A Governing Contract is an agreement between the owner and a party into which the GBA is incorporated. Article 7.8 helps to protect the contractor --and its surety-- from unintended and unwarranted liabilities for unique risks associated with green building. It also requires the prudent contractor--and its surety--to understand in fine detail those green risks that the contractor is assuming in the underlying Governing Contract.

Furthermore, Article 7.4 of the GBA provides that the "Contractor shall not be deemed to have assumed the responsibilities of Architect/Engineer or GBF, nor shall Contractor be liable or responsible for any defect or deficiencies in the Plans and Specifications . . . ." Again, such language helps to protect the contractor from liability for risks assumed by the designer or the GBF.

Article 8.2 provides that the liability of the project participants "shall be subject to any limitation or specific assumption of liability in their respective Governing Contract." Article 8.2 also addresses the issue of consequential damages:

> Owner's loss of income or profit or inability to realize potential reductions in operating, maintenance or other related costs, tax or other similar benefits or credits, marketing opportunities and other similar opportunities or benefits, resulting from a failure to attain the Elected Green Status [owner's election of a green designation or denomination sought for the project, such a LEED Silver or other similar rating denomination] or intended benefits to the environment, shall be deemed consequential damages subject to any applicable waiver of consequential damages in a Governing Contract unless specifically excluded from such a waiver in the Governing Contract.

Such language makes it incumbent on the contractor--and its surety--to ensure that consequential damages are waived in its Governing Contract with the owner.

Article 8.3 further clarifies that, unless otherwise expressly provided in a Governing Contract, no project participant other than the GBF shall be liable or responsible for the failure to achieve the Elected Green Status or intended benefits to the environment. At the same time, Article 8.3 provides that no project participant is relieved from any obligation to provide the specific performance as required by its Governing Contract. While the Green Building Addendum certainly helps guide the "green process" and addresses the complex and unique risk allocation issues, it is critical that the Governing Contract be scrutinized to ensure that the contractual risk challenges are properly managed.

Those interested in receiving ConsensusDOCS 310 can purchase it at www.consensusDOCS.org or can email info@consensusdocs.org for a full sample. The guidance document is readily available at http://consensusdocs.org/wp-content/uploads/2009/11/ConsensusDOCS-310-Guidebook.pdf.

NASBP members, affiliates, and associates can purchase ConsensusDOCS documents at a discount. If they insert the Partner Code, **NASBP**, and the Promotion Code, **400**, when prompted during the purchase process from the ConsensusDOCS site, http://www.ConsensusDOCS.org, NASBP members, affiliates, and associates can receive up to 20% off their purchases of ConsensusDOCS forms.

NASBP Welcomes Whiteford, Taylor & Preston LLP as Outside Counsel

NASBP recently retained the law firm of Whiteford, Taylor & Preston LLP to serve as outside counsel to the Association.

NASBP will consult with Whiteford, Taylor & Preston on an as-needed basis as matters arise affecting the interests of the Association and its membership. The firm, which has over 75 years of experience, has over 150 attorneys in offices in Delaware, Maryland, Washington, DC, and Virginia.

In addition to legal advice in all aspects of corporate matters, the firm brings to the table considerable experience in a range of practice areas, including surety and construction, nonprofits, insurance, technology, real estate and land use, and government contracting.

Martha Perkins, a partner in the Washington, DC office of the firm, will be NASBP's key contact. Perkins focuses her practice in construction, surety, and fidelity law and regularly represents owners, contractors, and subcontractors in contract negotiation and dispute resolution. She represents clients on "green" issues, including the language of green contracts, risk identification and mitigation, and arbitrating green disputes. (See her article in the "Legal Spotlight" of this issue.) Perkins has written extensively and lectures frequently on construction, surety, and fidelity law issues and has presented on surety and related topics at NASBP meetings and educational programs.

Martha Perkins, Esq.

January and February 2010 Capitol Hill Report and More

More Efforts to Spur Economic Growth

Yesterday, the U.S. Senate, by a vote of 70-28, passed a $15 billion jobs bill in an attempt to spur job creation. The bill includes a temporary exemption from payroll taxes for newly hired workers, who have been unemployed for 60 days or more; an extension through this year of federal surface transportation programs; an expansion of the Build America Bonds program of tax-credit bonds for state and local infrastructure projects; and an extension through the end of the year for higher expensing limits for small businesses. The measure now goes to the U.S. House of Representatives, where Democratic leaders have indicated they will try to move it rapidly to the President's desk.

In December, the House passed a $154 billion jobs bill (H.R. 2847) by a narrow margin of 217-212. H.R. 2847, the "Jobs for Main Street" legislation, includes spending of $27.5 billion on highway projects and $8.4 billion on public transit. Additionally, the bill allows the U.S. Small Business Administration (SBA) to continue to guarantee small business loans up to 90% and to reduce the fees charged to banks.

NASBP Advocating for Reforms to the SBA Bond Guarantee Program to be Included in the Reauthorization Act

Earlier this month, NASBP met with House and Senate staff to discuss reforms needed to the Small Business Administration (SBA) Bond Guarantee Program as part of the SBA Reauthorization Act. Subsequently, NASBP and SFAA began working jointly on specific language recommendations for amendments to the Small Business Investment Act with the goal of revitalizing the Program to attract sureties and agents and to assist small and emerging contractors in obtaining their first bonds and graduating them from the Program into the traditional surety market.

To achieve this goal, NASBP and SFAA will propose to Senate and House staff the following reforms:

- Combine the SBA Prior Approval Program and the Preferred Program into one bond guarantee program, creating a unified model;
- Increase the surety's guarantee up to 95%;
- Reduce the fees paid by sureties and contractors;
- Establish better internal coordination and communications between the SBA Bond Guarantee Program and other SBA small business programs; and

- Create a system of due process in connection with the Program to assure that sureties receive notice, a hearing, and right to appeal if the SBA 1) denies a surety's request to participate in the Program or eliminates a surety from the Program, or 2) denies a claim under a bond that the SBA has guaranteed.

According to Capitol Hill Staff, the House Small Business Committee will address the SBA Reauthorization Act by developing individual bills, while the Senate Small Business Committee will likely merge several standalone bills into one comprehensive single bill. The SBA Reauthorization Act is expected to be taken up some time later this spring.

D.C. Senior Policy Officer Willing to Consider Changes to Troubling Performance Bond Requirements of D.C. Green Building Act

Recently, the Senior Policy Officer for the District of Columbia Department of the Environment, Stella Tarnay, spoke to NASBP and indicated that her office would entertain suggested changes to the D.C. Green Building Act concerning the performance bond requirement. NASBP caught up with Tarnay, who coordinates and oversees the Washington, D.C. Green Building Act of 2006, after she spoke on a panel held in Washington, D.C. that was organized by the Professional Women in Construction (PWC). The conversation with Tarnay is one of many efforts NASBP has made advocating for the repeal of the performance bond requirement contained in the D.C. Green Building Act of 2006.

In 2009, NASBP and the Surety & Fidelity Association of America sent correspondence to members of the D.C. Council describing how the performance bond requirements of Section 6 of the Act are fundamentally flawed and that any implementing regulations are unlikely to rectify these faults. NASBP will continue to urge D.C. officials to remedy this language.

2009 CFMA Survey Now Available at a Discount to the NASBP Membership

Through a special arrangement with the Construction Financial Management Association (CFMA), NASBP members, affiliates, and associates can save up to $80 if they purchase the CFMA 2009 Construction Industry Annual Financial Survey with the Benchmarking Builder CD Toolkit by May 31, 2010.

NASBP has entered an agreement with CFMA to provide NASBP members, affiliates, and associates with a discount on their purchase of the CFMA Annual Survey and Benchmarking Builder CD, a tool for comparing clients' companies' financials with those of the participants in the survey. The CFMA survey, compiled and released by CFMA for the past 21 years, provides financial and benchmarking data on construction industry practices and contractors' financial data. The survey reports comprehensive aggregate information organized by contractor type, dollar volume, and geographic region including:

- Twenty key financial ratios for liquidity, profitability, leverage, and efficiency.
- Financial statements categorized and compiled by specialty, region, and revenue.
- A "Hot Topic" section covering the most critical issue in construction financial management.

The survey exceeds 300 pages and includes new hot-topic information on "Surviving the Economic Crisis," a foreword by Robert Murray, Chief Economist of McGraw-Hill Construction, new revenue breakouts, data from over 800 companies, and new North American Industry Classification System (NAICS) code segment breakouts used by federal statistical agencies in classifying business establishments.

The CFMA survey products and their discounted prices for NASBP members, affiliates, and associates are:

1. Survey in hard copy, or on CD, $435* (save $75)
2. Survey in hard copy and on CD $465* (save $80)

*This discount extends only through May 2010.

To learn more about the survey or to order, go to CFMA's web site at http://www.cfma.org/cfma-store. Then, enter the following code in the CFMA online store at the time of purchase to receive the NASBP discount: **AFF09PRO**

Questions about the CFMA survey and related products can be directed to Jim Bartsch, Director Research & Analysis, at phone: 609-452-8000 x246, fax: 609-452-0474 or e-mail: jbartsch@cfma.org

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Be Sure to Register for the March NASBP Virtual Seminars on Fraud Prevention and Federal Contracting Opportunities

NASBP has the following two virtual seminars scheduled in March that you won't want to miss.

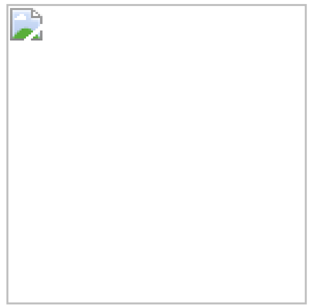
The NASBP Virtual Seminar scheduled for March 9 at 2:00 p.m. Eastern Time, is titled, "Fraud Prevention: Helping Your Clients Improve Internal Controls," and presented by Karen Courney, Wolf & Company LLP and Chip Dillman, Greer & Walker, LLP.

This seminar will examine internal control areas unique to construction contractors including:

- Estimating and bidding,
- Project administration,
- Job site accounting and controls,
- Billing procedures,
- Contract costs,
- Contract revenues,
- Construction equipment,
- Claims, extras, back charges, and
- Joint ventures.

The presenters will describe examples of fraud resulting from weak controls and of the correct controls that should have been implemented. Also, the presentation will provide examples of questions that can be asked of clients to help prevent fraud.

Karen A. Courney, CPA, is Senior Consultant in Audit and Accounting Services with Wolf & Company LLP. She is a construction and real estate specialist who works with construction and real estate companies, including residential and commercial developers and contractors, homebuilders, general contractors and subcontractors and other real estate entities.



Charles Dillman, CPA, CFE, has been with Greer & Walker for eight years and is a senior manager in the Audit practice. He has significant experience with real estate developers and property managers, contractors, professional service firms, manufacturers, and not-for-profits.

The other March NASBP Virtual Seminar will be held March 23 at 2:00 p.m. Eastern Time. This presentation titled, "Federal Contracting Opportunities: Small Business is Big Business," will be presented by Steven L. Reed, Esq. of Smith Currie & Hancock, LLP.

This presentation is an overview of the issues to be considered by anyone pursuing a federal contract. Key points Reed will address are 1) examining all solicitation provisions carefully and in detail and 2) resolving legal issues well before submitting a proposal in response to a solicitation issued by a federal agency.

Reed will also address differences among various agencies in approach and style in contract administration and technical (construction and engineering) matters. Among these included are:

- “Best-value” competitively negotiated acquisitions are in effect proposal writing contests,
- Obvious defects in solicitation must be brought to the government’s attention prior to submitting a proposal,
- Design-build is increasingly being solicited over the traditional design-bid-build method,
- Teaming agreements and Mentor-Protégé agreements are the means by which large businesses can access the market for construction projects that are set-aside for small businesses,
- Bonding assistance and indemnification agreements can be used to good effect,
- A key to a good relationship with the federal government is disclosure, disclosure, disclosure, and
- Contractors receiving ARRA payments must report certain information not typically required.

Steven L. Reed is a partner in the Washington, DC office of Smith, Currie & Hancock LLP. Reed joined Smith Currie in May 2007. Prior to joining the firm, Steve served as an Administrative Judge, Armed Services Board of Contract Appeals (ASBCA), where he mediated, adjudicated, or otherwise resolved 136 appeals involving all types of Department of Defense, Department of Health and Human Services, NASA, U.S. Postal Service, Department of Justice, Washington Metro, and Panama Canal contracts. In May 2006, Steve retired from ASBCA. In January 2008, Steve opened Smith Currie’s Washington, DC office.

Click here to register for these NASBP Virtual Seminars.

NASBP has even more virtual seminars planned this year on the following topics:

- “Creating and Sustaining a Sales Culture that Promotes Your Brand and Your Business Objectives,”
- “Considerations When Working with Native American Sovereign Nations,”
- “E&O Insurance – an Overview of Producer Liability and Agency Law,”
- “What Surety Professionals Need to Know About the New AIA Bond Forms,”
- “Joint Venture and Teaming Agreements: Creating the Team to Win Contract Awards,”

- "The Federal False Claims Act: Helping Clients Understand their Exposure,"
- "Succession Planning: A Priority for Your Agency and For Your Clients Too!,"
- "Recent Bond Claims Activity and the Role of the Producer in the Claims Process,"
- "Financial Reporting: Helping Your Clients Put Their Best Foot Forward,"
- "Emerging Commercial Surety Opportunities,"
- "Financial Reporting: Helping Clients Put Their Best Foot Forward,"
- "Onerous Contract Terms: Damages, Performance Guarantees, Default Triggers, and Other Contract Nasties,"
- "Using NASBP Resources to Increase Your Agency's Success," and
- "Annual Government Relations Town Hall Meeting: What's Ahead in 2011."

NASBP will announce the speakers and descriptions for these Virtual Seminars on the NASBP web site and in Pipeline closer to the presentation date.

These telephone briefings are a quick, economical, and effective way to help members, associates, and affiliates obtain current information on issues critical to their business success. The typical format includes fifty minutes of information followed by five to ten minutes of questions and answers, at $65 per call-in line. An entire office can listen with a speakerphone in the same room.

For questions or suggestions about NASBP Virtual Seminars, contact Cathrine Nelson at cnelson@nasbp.org or 202.686.3700

Visionary Industry Executive to Speak at NASBP Annual Meeting

Keynote Speaker William R. Berkley

William R. Berkley, a visionary and founder of the Fortune 500 property-casualty insurance holding company, W. R. Berkley Corporation, has accepted NASBP's invitation to share his perspective on the current business environment as well as the surety industry.

Click here to register.

Berkley, who founded Berkley Corporation in 1967, has served continuously as Chairman and CEO over the past 43 years. He has overseen the growth of the company into one of the largest commercial lines writers in the United States that operates in the following five segments of the property casualty insurance business: specialty insurance, regional property casualty insurance, alternative markets, reinsurance, and international.

During his career, he has also founded a number of public and private companies, some of which he continues to lead as chairman or director, and has similar roles in several financial institutions, including two banks (one in partnership with the Big I) and a number of industrial companies. A graduate of New York University and the Harvard Graduate School of Business Administration, he is active on the boards of both New York University and Georgetown University, and serves as Chairman of Achievement First, a group of charter schools serving inner-city children in the New York metropolitan area. He is the recipient of numerous awards for his business, civic and philanthropic activities over the years.

Berkley's presentation is one of many fascinating and thought-provoking programs that will be offered at the NASBP Annual Meeting.

A Program Focused on Challenges and Opportunities of 2010

Other presentations scheduled for the 2010 NASBP Annual Meeting program will focus on the challenges and opportunities surety professionals will face in the surety industry in 2010 and beyond. Among these are panel discussions on commercial surety and the claims process:

- "Finding Easy Money with Commercial Surety," provided by panelists Paul D. Amstutz, Roanoke Trade Services, Inc., Bob Baker, Liberty Mutual Surety, and John Charlton, Maston-Charlton Surety Group.

Click here to download the meeting brochure.

- "Anatomy of a Surety Claim," provided by Moderator John Bustard of King & Neel, Inc. and panelists: Tracey Haley of Zurich Surety, Courtney McKendrick of Cokinos Bosien & Young, and Rick Steed of Coats Rose.

The meeting program will conclude with a panel of contractors, titled, **"What's Happening in the Construction Industry,"** provided by Moderator Susan Hecker of Gallagher Construction Services and panelists: Jeff Hoopes of Swinerton Inc., Sam Howard of Trace Creek Construction, and Jack Lowe of TD Industries.

Be sure to see all of these informative presentations by making reservations now to attend the NASBP Annual Meeting & Expo.

Click here to register.

Member Sponsorship Opportunity

Once again, NASBP is pleased to offer an opportunity to member agencies to receive special recognition for their agencies by becoming an NASBP Supporter at this year's Annual Meeting. The cost of sponsorship is $250.

The traditional San Antonio festival, referred to as, "Fiesta San Antonio," will be celebrating its 118th year the week leading up to the NASBP 2010 Annual Meeting. The city's festivities will provide a perfect introduction to the fiesta-themed NASBP Welcome Reception.

Each Supporter Sponsor will have a colorful Piñata with their company logo as part of the Welcome Reception décor. In addition, NASBP will display a list of all the supporters at the Welcome Reception, during the General Sessions, as well as on the NASBP website by clicking here.

Please consider becoming a Supporter Sponsor. Contact Bethany Hillinger at bhillinger@nasbp.org for more information.

NASBP Expo

Once there, remember to stop by the NASBP Expo to learn more about the product and service providers that can help surety professionals and their firms become more efficient. Also, the **Internet Café**, sponsored by **ACORD**, will be available for all attendees to check e-mail and to "stay connected." To access a list of exhibitors, along with a description, contact information, and a link to learn more about these exhibitors' products and services, visit the Online Expo at http://www.nasbp.org/expo, which is sponsored by the **Insurance Automation Group**.

The NASBP Annual Meeting will be held at the Westin La Cantera Resort.

Members, Consider Signing the SuretyPAC Prior Approval Form to Help Increase NASBP Impact on Capitol Hill

Members, consider authorizing the NASBP political action committee, SuretyPAC, to solicit voluntary contributions from the executive and administrative personnel of your agency for 2010 to 2014.

NASBP Third Vice President Carl Edward Dohn, Jr., President of Dohn & Associates of Palatine, Illinois, challenges all NASBP member firms that have not authorized another PAC to sign the SuretyPAC Prior Approval Form to help assure that NASBP continues the work of the SuretyPAC, which is 100% devoted to representing the interests of the surety industry.

"Authorizing NASBP for PAC solicitations is a way of making a commitment to the future viability of NASBP and our outreach in the political arena," Dohn said. "By joining forces with other NASBP members we can have a greater impact on Capitol Hill," he added.

Jeffrey W. Reich, President of Florida Surety Bonds, Inc. of Maitland, Florida, echoes Dohn's message, "The SuretyPAC is critical to NASBP's effectiveness in reaching its federal government relations agenda objectives." "I hope all NASBP members will consider authorizing their agencies for solicitations," Reich added.

SuretyPAC is critical for providing support to those candidates for Congressional office who support surety industry interests. SuretyPAC disbursements are an effective means to assist NASBP in gaining access to members of the U.S. Congress and in influencing federal legislative decision-making. This already has been and will continue to be a busy legislative year for NASBP. Advocating for the changes to the U.S. Small Business Administration's Bond Guarantee Program as part of the SBA Reauthorization Act and educating federal policymakers on the importance of the surety bond product are prime examples how NASBP continually seeks to shape federal legislative priorities.

Please note that the SuretyPAC can solicit funds only from NASBP members that have given the SuretyPAC permission to solicit their employees for contributions. An agency cannot have approved solicitations by any other trade association during that calendar year.

By signing this Prior Approval Form, your agency is not obligating anyone to give to the SuretyPAC, you are only authorizing the SuretyPAC to request voluntary contributions. You may restrict who within your company may be solicited, and an area is provided on the Form for you to designate specifically those individuals from whom contributions may be solicited. You may also authorize your agency for one or more of the following years 2010, 2011, 2012, 2013, and 2014.

To access and complete the SuretyPAC Prior Approval/Authorization Form, click here. Please direct any questions about the SuretyPAC Prior Approval Form to Khoffman@nasbp.org.

For more information about the SuretyPAC, click here.

Sign-up for the ConsensusDOCS March 24 Web Seminar that Compares AIA and ConsensusDOCS Documents

Register now for the Wednesday, March 24, ConsensusDOCS web seminar titled, "Comparing AIA and ConsensusDOCS in a Real World Setting," that will be held from 2:00 to 3:30 p.m. Eastern Time. Using real-world examples, two leading construction attorneys will discuss many of the differences between ConsensusDOCS and the American Institute of Architects (AIA) standard form construction contract documents. The key issues they will address include:

- Owner Financial Information
- Means and Methods
- Submittal Schedule
- Change Orders
- Dispute Resolution
- Retainage
- Substantial Completion
- Insurance
- Roles and Responsibilities
- Indemnification
- Liquidated Damages
- Order of Precedence

Registration fees for NASBP Members, Affiliates and Associates are $20 and those for Non-members are $49.

The speakers for this 90-minute web seminar include:

- Ronald D. Ciotti, Esq., Partner at Hinckley, Allen & Snyder, LLP
- Robert V. Lizza, Esq., Partner at Hinckley, Allen & Snyder, LLP
- Brian Perlberg, Esq., Executive Director, Contract Documents and Construction Law, ConsensusDOCS
- Carrie L. Ciliberto, Esq., Director of Contracts and Construction Law, ConsensusDOCS will moderate.

To register, click here for registration form to fax or mail.

If you have registration questions, contact Megan McGarvey at (703) 837-5408 or mmcgarvey@ConsensusDOCS.org.

www.ConsensusDOCS.org

To purchase ConsensusDOCS Documents at NASBP Discount

NASBP members, affiliates, and associates can receive up to 20% off their purchases of ConsensusDOCS forms if they insert the Partner Code, **NASBP**, and the Promotion Code, **400**, when prompted during the purchase process from the ConsensusDOCS site, http://www.ConsensusDOCS.org.

For more information about ConsensusDOCS and NASBP's participation as an endorsing member, click here.

NASBP is an endorsing organization of the ConsensusDOCS coalition, an unprecedented effort by more than 20 other industry organizations to identify industry best practices and to incorporate such practices in a new generation of consensus industry standard form documents.

Roundup of Successful Winter Session of NASBP William J. Angell Surety School

Once again, the January Session of the NASBP William J. Angell Surety School, the surety industry's premier educational offering for bond producers and underwriters, attracted surety professionals from around the nation, as well as several from abroad. During the week of classes held in Houston, the students and faculty participated in an intense and rewarding learning experience.

Students received instruction from an accomplished and experienced faculty that included Paul Amstutz, Dedi Belis, Erle Benton, Matt Cashion, David Castillo, Donnie Doan, Tom Durkin, Ed Heine, Bud Herndon, Jim Lareau, Todd Loehnert, Larry McMahon, Tom Padilla, Ralph Pulver, and Tony Yasilli. Steve Anderson, President & CEO of NAS Surety Group, delivered his perspective on the state of the industry during the Level II luncheon address.

NASBP's Executive Committee joined both levels of the school for their graduation dinners. In addition, they met with the Level II class at the conclusion of the final case. The students met with the NASBP leadership to discuss the importance of ongoing professional development and of committing to becoming active in the mission of the Association as they move forward in their careers.

NASBP congratulates all graduating students and recognizes the faculty for their generosity in sharing their time, talent, and expertise to educate the next generation of surety professionals.

At each session of the school each class identifies, from among their peers, the Most Outstanding Participant (MOP). This is the student whose contribution in class impresses his or her peers the most. These students are recognized at graduation by being awarded a football that has been signed by the faculty and their classmates. The winter session recognized the following outstanding students:

Level I Red Team – Outstanding Student: Dori Polis of First Sealord Surety, Inc. Faculty and Executive Committee members: Todd Loehnert (NASBP President), David Castillo, Spence Miller (NASBP First Vice President), Bud Herndon, and Tom Durkin.

Level I Yellow Team – Outstanding Student: Alex Sanchez of First Sealord Surety, Inc. Faculty members: Erle Benton, Matt Cashion, Dedi Belis, and Todd Loehnert (NASBP President).

Level II Green Team – Outstanding Student: Brian McCoog of Delmarva Surety Associates, Inc. Faculty and Executive Committee members: Tom Padilla, Todd Loehnert (NASBP President), Spence Miller (NASBP First Vice President), Larry McMahon, Bud Herndon, and Paul Amstutz.

Level II Blue Team – Outstanding Student: Sarah Pearlstein of The Hanover Insurance Company. Faculty members: Tom Durkin, Tony Yasilli, David Castillo, and Todd Loehnert (NASBP President).

Registration Now Open for the 2010 Summer Session of Surety School

The Summer Session of the NASBP William J. Angell Surety School will meet the first week of August in San Diego, California. Since only a limited number of students can be accommodated in each classroom, secure a seat in either the Level I or Level II as soon as possible. Click here to register for the 2010 Summer School.

NASBP Participates on Panel Addressing Claim Process at AGC Surety Bonding/Risk Management Meeting

NASBP Second Vice President John Rindt recently participated in a panel titled, "When it All Falls Apart: How to Smooth Out the Potentially Sharp Edges in the Bond Claim Process." The panel was held during the annual meeting of the AGC Surety Bonding/Risk Management Committees, where more than 200 construction and surety industry representatives attended.

Panelists Who Addressed the Claim Process: (from left) Russ Johnson of SkanskaUSA Building, Mary Jeanne Anderson of Hanover Insurance, and NASBP Second Vice President John Rindt of JDW Insurance.

Panel Moderator Martha Perkins, Esq. of Whiteford, Taylor & Preston

Others on the panel included Mary Jeanne Anderson of Hanover Insurance Company of Worcester, MA, and Russ Johnson of SkanksaUSA Building of Parsippany, NJ. Martha Perkins, Esq. of Whiteford, Taylor, & Preston of Washington, D.C. moderated the session. NASBP staff, Chief Executive Officer Mark McCallum and Director of Government Relations Larry LeClair, also attended the meeting.

Distinguished Travelers Executive, Terry F. Lukow, Retires

Terry F. Lukow **Retired Travelers Executive Vice President**

Terry F. Lukow, the well-known and respected Travelers Executive Vice President of Bond & Financial Products, retired last week after a distinguished career of more than 35 years in the surety industry.

Lukow has been an active leader in the industry and for NASBP and The Surety & Fidelity Association of America (SFAA). "Terry's passion and enthusiasm for the surety industry will be missed by all," NASBP President Todd P. Loehnert said. "I wish Terry the best in his retirement."

Throughout his career, Lukow has been a go-to person for SFAA to address current issues and concerns in the industry. "Terry has been the person who always knew what to do and how to get it done," SFAA President Lynn M. Schubert said. "He has been a gentleman and an advocate for the industry on a wide range of issues."

Lukow began his career with Travelers in 1973. Assuming positions of increasing responsibility, Lukow relocated to Hartford for a national role in 1986. Within three years, he became the head of the Travelers Construction Surety business and has led the business unit for the past 20 years.

"Terry has had a significant impact on Travelers," said Thomas M. Kunkel, President and CEO of Travelers Bond & Financial Products and current Chair of the SFAA Board of Directors. "His foresight and leadership have been essential in shaping the fundamentals of the way we approach the construction surety business."

Lukow leaves as his legacy an experienced and knowledgeable team that will be headed by Michael Noe, who has served for the last two years as Chief Operating Officer of Travelers Construction Services.

NASBP wishes Lukow all the best in his retirement and congratulates Noe in his new leadership position at Travelers.

In Remembrance

Lars M. Anderson

NASBP was saddened to learn that NASBP activist Lars M. Anderson, 45, the Managing Director and Surety Practice Leader for Frank Crystal & Company, Inc. of Philadelphia, Pennsylvania died January 23 from injuries sustained in an automobile accident.

Born in Ann Arbor, Michigan, Lars was raised in Summit and resided in Pennington, New Jersey for the past five years. Son of the late Lars R. Anderson, he is survived by his wife of 18 years, Donna Beyer Anderson; a son, Kurtis Anderson; a daughter, Paige Anderson; his mother and stepfather, Corda Beth Vitas and Peter Villani; a brother, Eric Anderson; sister, Lori Ahern-Cook, and his father-in-law and mother-in-law, Howard and Dorothy Beyer.

William Jungreis, Director of Frank Crystal & Company, described how he enjoyed working with Lars who demonstrated character by demanding the most of himself and others and by never shrinking from a challenge. "Lars was passionate about life and everything in his life. He was a true surety professional who loved every aspect of the business. He always had a twinkle in his eye, a smile on his face and his presence would light up a room. Lars will be dearly missed."

The funeral service was held at the Princeton United Methodist Church, 7 Vandeventer Ave., Princeton, NJ. The family respectfully asks that memorial contributions be made payable to The Lars Anderson Trust Fund (for the benefit of Kurtis Anderson and Paige Anderson), c/o Roma Bank, 84 Route 31, Suite 101, Pennington, NJ 08534.

You may also send condolences to the family through an online guestbook at www.nj.com/timesobits

Welcome New NASBP Members and Affiliates

NASBP welcomes the following new members and new affiliates that have joined the Association since the last issue of *Pipeline*.

New Members

Arthur J Gallagher Risk Management Services
http://www.ajg.com
San Jose, CA
Key Contact: Charles Griswold

Arthur J. Gallagher Risk Management Services, Inc.
http://www.ajg.com/atlanta
Atlanta, GA
Key Contact: John Genet

BB&T Insurance Services of Orange County
http://insurance.bbt.com/
Fullerton, CA
Key Contact: Lourdes Landa

Harden & Associates, Inc (dba Harden)
http://www.hardeninsight.com
Jacksonville, FL
Key Contact: Gary Goldberg

Lawley Services Insurance
http://www.lawlwyinsurance.com
Buffalo, NY
Key Contact: Bradley Hall

Rosenberg & Parker of Canada, Inc.
http://www.suretybond.com
Toronto, Ontario Canada
Key Contact: Sheila Thompson

Wells Fargo of California Insurance Services, Inc.
http://www.wellsfargo.com
Rancho Cordova, CA
Key Contact: David Weise

Wells Fargo Insurance Services
http://www.wellsfargo.com
Washington, DC
Key Contact: Erin Margelis

Wells Fargo Insurance Services
http://www.wellsfargo.com
Atlanta, GA
Key Contact: Chris Slack

Wells Fargo Insurance Services of IL, Inc.
http://www.wellsfargo.com
Chicago, IL
Key Contact: Rachel Mullen

Wells Fargo Insurance Services of Ohio, Inc LLC
http://www.wellsfargo.com
Cincinnati, OH
Key Contact: Dan Ries

Wells Fargo Insurance Services
http://www.wellsfargo.com
Youngstown, OH
Key Contact: Mike Dercoli

New Affiliates

Danielson National Insurance Company
http://www.capstonesurety.com
Calabasas, CA
Key Contact: Steve Kay

Navigators Management Company. Inc
http://www.navg.com
Schaumburg, IL
Key Contact: Michelle Lucaccioni

Treasury Announces Changes to the T-List

The Department of the Treasury's Listing of Approved Sureties (Department Circular 570) as of July 1, 2009 has been updated to reflect:

The termination of Trinity Universal Insurance Company (NAIC # 19887) effective January 29, 2010.

For a complete listing of all states where companies are licensed to transact surety business, please refer to the Circular 570 and its supplements at:
http://fms.treas.gov/c570/c570.html
http://fms.treas.gov/c570/supplements.html

New SIO Brochures Available

"Surety Bonds at Work," a second generation of surety claims case studies, now is available. This 16-page booklet is a great resource for both public and private construction project owners, as well as construction lenders. Featuring 18 newly written case studies, "Surety Bonds at Work" demonstrates the value of bonding construction projects and highlights the cost of not bonding or validating a bond on a project.

Case studies include: "Two Owners, Two Claims: One Happy Ending," "Rescue Me: Surety Assists Ailing Contractor," "Live by Change Order, Die by Change Order," "What, Me Worry? Condo Project Owner Doesn't Fret Work Stoppage," "Surety Quenches County's Thirst for New Pipeline," and many more.

"Surety Bonds at Work," can be downloaded via SIO's online store at http://www.sio.org/fstore.html.

The publication, "Surety Safeguard: How Bonding Protects Taxpayer Dollars," has been replaced with a new 16-page booklet for public works project owners called, "Contract Surety Bonds: Protecting Taxpayer Dollars." This publication discusses a number of issues concerning public works such as why bonds are required, how surety bonds work, the difference between surety bonding and insurance, the cost of bonds, the cost of contractor failure, the claims process, and public policy issues including bond waivers, bond thresholds, and contract bundling.

"Contract Surety Bonds: Protecting Taxpayer Dollars" can be downloaded via SIO's online store at http://www.sio.org/fstore.html.