

# eBonding: Surety in the Digital World

Nick Newton, Newton Bonding

Mark McCallum, NASBP

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# NASBP Has Been Marching Toward eBonding for Some Time!



NASBP Automation & Technology Committee Efforts Over the Years:

- NASBP-SFAA Joint Automation
- Producers Toolkit
- ACORD
- XBRL
- RiskStream Collaborative

(Does it seem like a slow slog?)

# eBonding: Surety in the Digital World

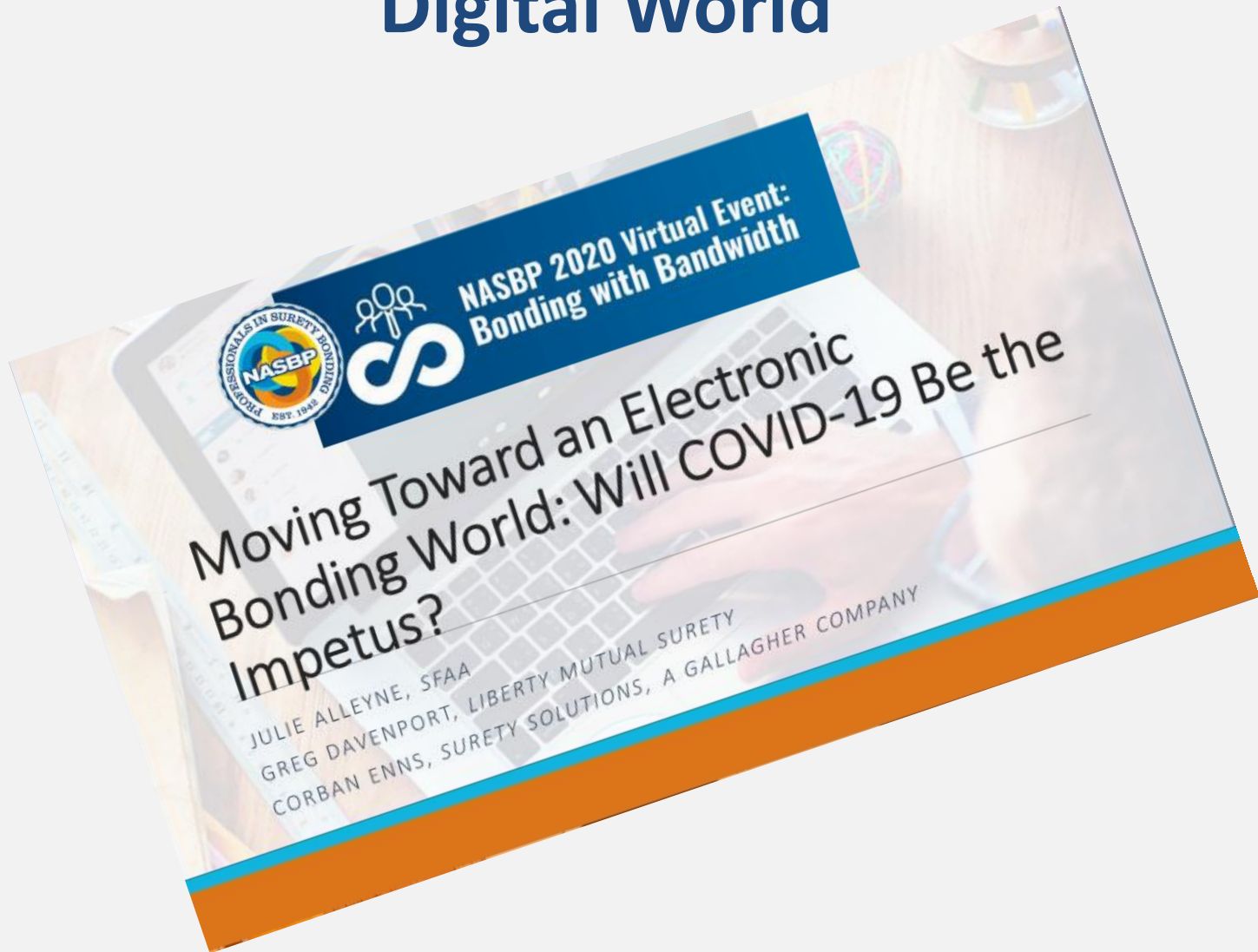
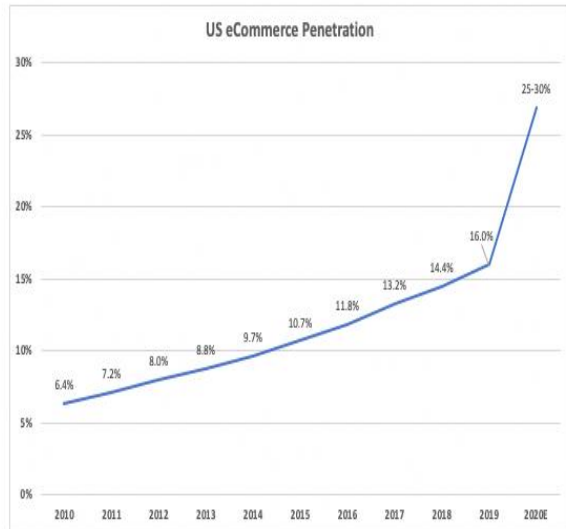


Chart 1: US eCommerce penetration



Source: Historical data is from a Digital Commerce 360 analysis of U.S. Department of Commerce data. 2020 forecast is PVC Analysis of eCommerce in the US, using Department of Commerce data and PVC projections. "Total retail figures" exclude sales of items not normally purchased online such as spending at restaurants, bars, automobile dealers, gas stations and fuel dealers.

# Bonding & COVID-19

## *A Catalyst For Change?*

- COVID-19 condensed 10 years of growth in digitalization into 5 months.
- Offices, special papers, special seals, and signers inaccessible.
- Procurement processes forced to be virtual.
- Increase in electronic procurement (including subcontracts) is increasing the demand for non-paper bonds & powers of attorney.

# eBonding – Past, Present & Future

- The current implementation of eBonding (electronic execution and filing of surety bonds).
- Things to look out for if you get an electronic or digital bond – transition methods, security procedures, verification techniques.
- Future - more streamlined approaches to bond issuance... single eco-system solutions... distributed ledger solutions (Blockchain).





April 2, 2020

Via Electronic Mail

**Re: Emergency Action Needed on Electronic Execution and Delivery of Surety Bonds during the COVID-19 Pandemic**

Dear Governor:

The COVID-19 pandemic has necessitated remote working arrangements and social distancing standards making it unworkable to meet the traditional requirements for the issuance of surety bonds on essential and legally-mandated national, state and local construction projects, and other commercial transactions -- largely due to physical/in-person process requirements that still exist. On behalf of the surety industry, while operating during the COVID-19 pandemic, the Surety & Fidelity Association of America (SFAA), the National Association of Surety Bond Producers (NASBP) and the American Property Casualty Insurance Company (APCIA)<sup>1</sup> respectfully urge public officials at the state and local level, to issue guidance (1) accepting electronic execution and delivery of both construction bonds and commercial surety bonds, to the extent this practice is not already officially adopted by state or local officials and (2) waiving notary requirements consistent with this request on all surety bonds.

Construction bonds have far reaching impacts. They guarantee the performance of and payment to small business contractors on thousands of public construction projects nationally and in the states, thereby providing critical protection of significant state and federal tax revenue and interests. Commercial bonds have an equally important impact and provide financial security for millions of consumers across the country in every state through, for example, license and permit bonds, guardian and conservatorship bonds, appeal bonds, lease bonds, utility bonds, and public

<sup>1</sup> 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.

Members of the National Association of Surety Bond Producers (NASBP) are bonding agencies that specialize in providing surety bonds for construction contracts and other purposes to companies and individuals needing the assurance offered by surety bonds. NASBP members engage in contract and commercial surety production throughout the United States, Puerto Rico, Guam, and a number of other countries.

The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.

# Past: Requests for Emergency Action

- Mandate acceptance of electronically executed and issued construction and commercial surety bonds
- Waive notary requirements
- Not a specific request to implement eBonding broadly







GSA Office of Governmentwide Policy

April 06, 2020

Class Deviation CD-2020-05

MEMORANDUM FOR CONTRACTING ACTIVITIES

FROM: JEFFREY A. KOSES  
SENIOR PROCUREMENT EXECUTIVE  
OFFICE OF ACQUISITION POLICY (MV)

Digitally signed by  
JEFFREY KOSES  
Date: 2020.04.06  
07:45:48 -0400

SUBJECT: FAR and GSAR Class Deviation - Flexibilities for Signatures and Seals on Bonds

1. Purpose.

This memorandum approves a class deviation from the Federal Acquisition Regulation (FAR) and General Services Acquisition Regulation (GSAR) to allow vendors and sureties the use of electronic signatures in lieu of manual signatures and eliminates the requirement for any seals for bonds.

2. Background.

FAR Subpart 28.1 prescribes requirements and procedures for the use of bonds, alternative payment protections, and all types of bid guarantees. In addition, GSAM Subpart 528.1 provides supplemental bond guidance, including for construction and building service contracts.

FAR 28.106-1, *Bonds and Bond-Related Forms*, identifies forms that shall be used per the form instructions, when a bid bond, performance bond, payment bond or an individual surety is required. These forms instruct corporations to affix their corporate seals to the form. Many states use a raised seal, and a couple states use an adhesive seal.

Furthermore, GSAR 528.202 requires corporate surety bonds to have a manual signature and an affixed corporate seal in addition to the contracting officer (CO) manually verifying acceptability of the surety bond with the written statement "Acceptability of Bond Verified" and the CO's signature "on the bond or properly identified attachment."

Unfortunately, as written, the stated procedures preclude alternatives to affixing corporate seals and manual signatures to execute a bond. Neither requirement is conducive nor beneficial during times of emergency or crisis such as those presented by the Novel Coronavirus 2019 (COVID-19) pandemic.

# Past: Requests for Emergency Action

- Some States Took Temporary Actions
- Federal Agency Actions
  - GSA FAR Deviation (electronic signatures, no seals)
  - DOD FAR Deviation (e-signatures, no seals, no notarization)
  - SBA Notice (electronic signatures on certain docs.)
  - Still permits contracting officer discretion



# Present: Obstacles to Acceptance

The ESIGN Act is a federal law passed in 2000. It **grants legal recognition to electronic signatures and records** if all parties to a contract **choose** to use electronic documents and to sign them electronically. ... No contract, signature, or record shall be denied legal effect solely because it is in electronic form.

- Federal and state laws exist (ESIGN & UETA laws) which provide that electronic signatures are to be given the same legal effect as wet signatures.
- Laws facilitating e-signatures are permissive; they do not mandate or set preference for use of e-signatures or processes.
- They are not specific to surety industry transactions.
- Implementation is left up to individual agencies.
- Ambiguity abounds regarding legalities and procedures.
- Gov. lawyers abhor ambiguity.





# Present: Footholds for eBonding

- Many State Depts. of Transportation
  - Accept electronic bid bonds
  - Some accept final bonds, BUT...you may have to follow with wet-signed, original documents (e.g., Hawaii)
  - A few have their own electronic procurement platforms, e.g., Penn.
  - Bottom line, states are all over the place
  - Need for uniformity



# Present: Footholds for eBonding

- Some state GSA offices
- US Customs
- Nationwide Multi-state Licensing System (NMLS)





State Agency  
adopting ESB for  
license types as of  
4/1/2021

State Agency  
adopting ESB for  
license types as of  
5/15/2021

State Agency  
adopting ESB for  
license types as of  
6/1/2021





### For Immediate Release

**SFAA Contact: Peter Roth**, Vice President – Strategic Communications, Marketing & Research  
Phone: (703) 401-0676 | E-mail: [proth@surety.org](mailto:proth@surety.org)  
**NASBP Contact: Kathy Hoffman**, Director of Communications  
Phone: (240) 200-1278 | E-mail: [khoffman@nasbp.org](mailto:khoffman@nasbp.org)

#### **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.

###

# Making the Transition: The Value of Industry Guidelines

An electronic methodology must translate and incorporate these activities, which contain legal implications, from the "paper world" to an "electronic world." While each activity must be included, they do not have to follow the sequence above and may include or substitute other activities or mechanisms that facilitate or enhance bond execution, delivery, memorialization, authentication, tracking, modification, and release while preserving the requisite protections of all parties. The methodology also should incorporate a process for power of attorney authentication, execution, and recordation. Finally, the methodology shall be compatible with available remote or alternative electronic means for notarization or fraud prevention.





# Essential Characteristics of eBonding\*

## Checklist of Required Characteristics

Any electronic bonding methodology must possess certain essential characteristics. These are:

- The methodology maintains the existing legal relationships and obligations among the parties.
- The execution and delivery process ensures the validity and nonrepudiation of the bond.
- The process contemplates and satisfies the requirements of the statute of frauds, which requires the inclusion of the language of the obligation.
- The methodology includes or permits the signature of the surety and principal using digital signature technology, or other proven technologies.
- Provides for an acceptable digital equivalent to the surety's corporate seal as required by the surety and/or obligee, and to meet any related statutory requirements.
- Permits the signing by two or more different parties at different points in time, while maintaining an audit trail.
- Provides assurance that, aside from affixing its signature, neither the principal nor obligee, has altered the bond.
- Ensures the identity and authority of the surety's attorney-in-fact, by incorporating or allowing the incorporation of unalterable electronic powers of attorney, which must be granted by the surety.
- The electronic bond should be stored in a secure, immutable manner, in an environment providing an effective access and change audit trail, and retrieved only by authorized parties presenting appropriate permissions and credentials.
- Electronic bonds' storage environment should support the creation of digital or print copies, so that copies created provide a trustable, secure, and unalterable representation of the original bond, meeting requirements of legitimate interests to the bond agreement.
- The bond must be transmitted using the current standard for data in motion as defined by NIST SP 800-52 (<https://csrc.nist.gov/publications/detail/sp/800-52/rev-2/final>), or an equivalent authority, and utilize a minimum of TLS 1.3 (256 bit encryption) to protect against repudiation and tampering.

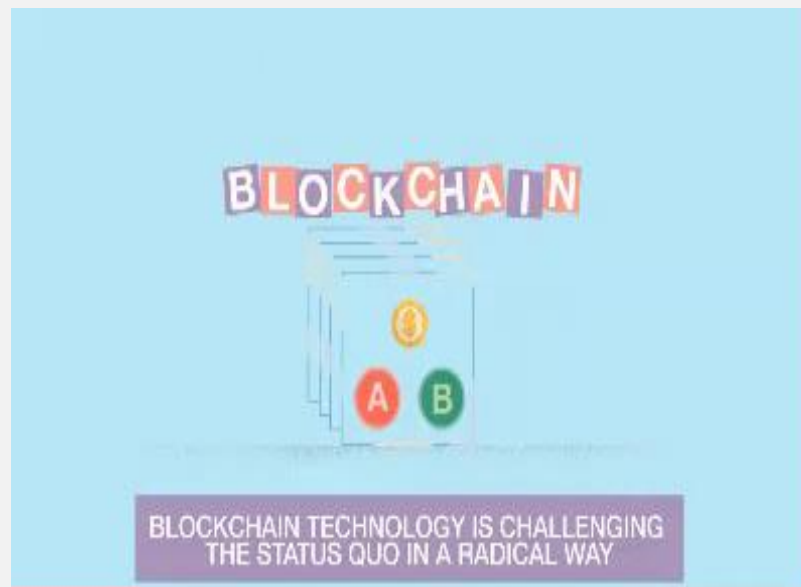
*\*From SFAA and NASBP revised guidelines on electronic surety bonding and digital signature best practices, May 2021*



# Essential Characteristics of eBonding\*

The following are suggested characteristics:

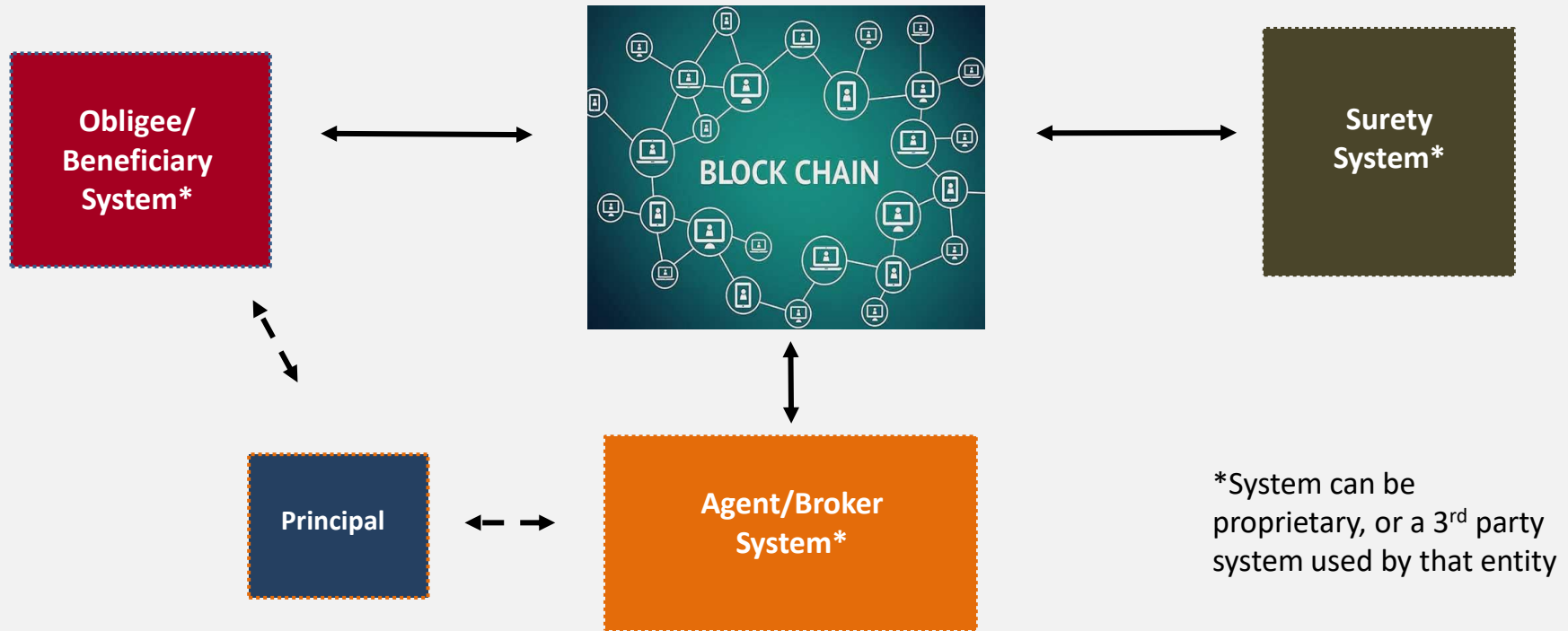
- Uses generally accepted industry data standards for integration purposes.
- Integrates with the variety of systems and processes of the various parties involved in the bond transaction.
- Permits the use of a trusted third-party, or similar method using emerging technologies such as blockchain or distributed ledgers, to certify delivery, signatures, seals and POA authority.



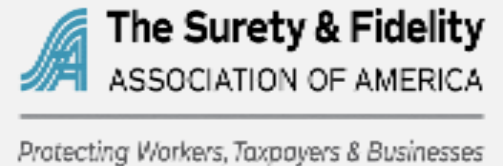
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# Surety Digital Bond Future State: Single Source of Truth



# Global Surety Blockchain Initiative





# The Blockchain Consortium



**The Institutes RiskStream Collaborative** was created by **The Institutes**, a non-profit, 100+ year-old organization that provides educational support, resources and leading research to help those in risk management and insurance better serve the public.



**The Institutes RiskStream™ Collaborative** aims to create an ecosystem within the risk management and insurance industry that leverages a scalable, enterprise-level blockchain/digital ledger technology framework to streamline the flow and verification of data in order to lower operating costs, drive efficiency from improved processes, and enhance the customer experience





# 2020 RiskStream Members & Participants

## P&C Members

- Carriers
- Reinsurers
- Producers



## L&A Members

- Carriers
- Reinsurers
- Producers

## Non-Profits

- Associations
- Consortia
- Academia



## Providers

- Builders
- Connectors
- Enablers

## Civics

- Regulators
- DOI
- Government

## Collaborators

Non-insurance entities that work with the insurance industry

...Program to be announced soon





# Global Surety Blockchain Initiative

## OBJECTIVE:

Revolutionize the Surety industry to **increase efficiency, accelerate digital transformation**, and eliminate redundancies by offering a **single source of truth** for bonds and powers of attorney



## CAPABILITIES:

- Enables **instant notification** across the multi-party channel, eliminating delays and reducing turn-around
- Eliminates duplication of work and **ensures accurate** and shared comprehensive data
- **Optimizes resources** through fewer touchpoints and rework efforts
- Offers a **highly scalable** solution, **securely connected** and **available** to key participants in the Surety Bond & POA ecosystem.
- Ensures the highest standard of **data privacy and security** through safe, **secure, trusted, and transparent** permission-based technology

# Value Proposition for Surety Power of Attorney with Blockchain



## Top Benefits of Blockchain

		Top Pain Points				
	Characteristics	Paper Processing	High Touch	Errors & Inaccuracies	Fraud	Multiple Systems
Trust	Reduce number of Systems		✓	✓		✓
	Supports On-Demand Verification		✓	✓		
	Elimination of fraud and risk				✓	
Security	Security, traceability, auditability				✓	
	Removes need for raised seals to demonstrate authenticity	✓	✓	✓	✓	
	Security Controls around data access			✓	✓	✓
Cost/Operations	Eliminates overnight mailing expense	✓	✓			
	Seamless workflow process		✓	✓		✓
	Speed of delivery	✓	✓	✓		
	Standardization		✓			✓
	Prebuilt accelerators to simplify integration	✓				✓
	<i>Foundation for Bond Execution</i>	✓	✓	✓	✓	✓







### Insight Into Findings

Larger sureties can each manage up to **22,000** attorneys-in-fact globally

Some sureties receive up to **2200** requests annually to change Powers of Attorney

Larger sureties are asked to manually validate up to **1300** Powers of Attorney annually

Some sureties reported having up to **4,000** agents with Power of Attorney

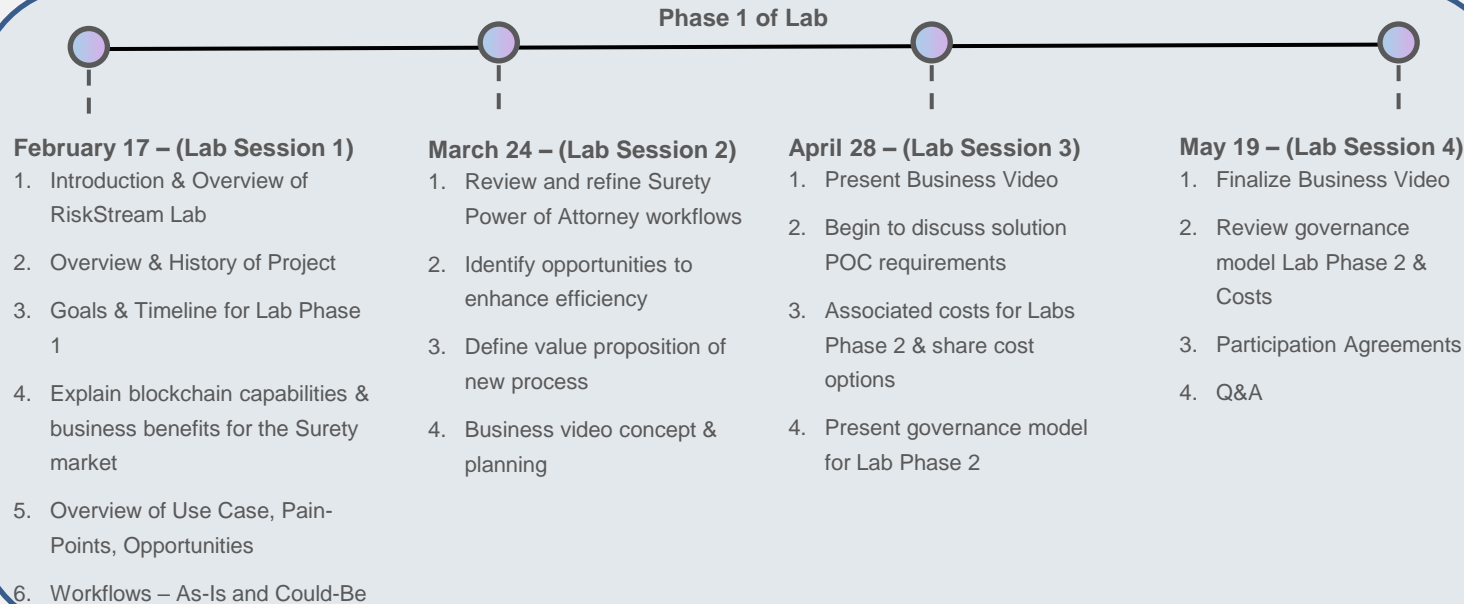
Brokers have Power of Attorney with an average of **22** sureties

Power of Attorney change requests can take up to **30** days before authorization is received from the surety

Individual respondents report executing up to **80,000** bonds annually with wet signature

Individual respondents report executing up to **225,000** electronic bonds annually

# Labs Phase 1 – Power of Attorney Workshops



Decision Point

Advance to Lab Phase 2

Funding for Proof of Concept: June-July 2021

200-350 participants in each workshop

173 separate entities participated including:

63 sureties

5 reinsurers

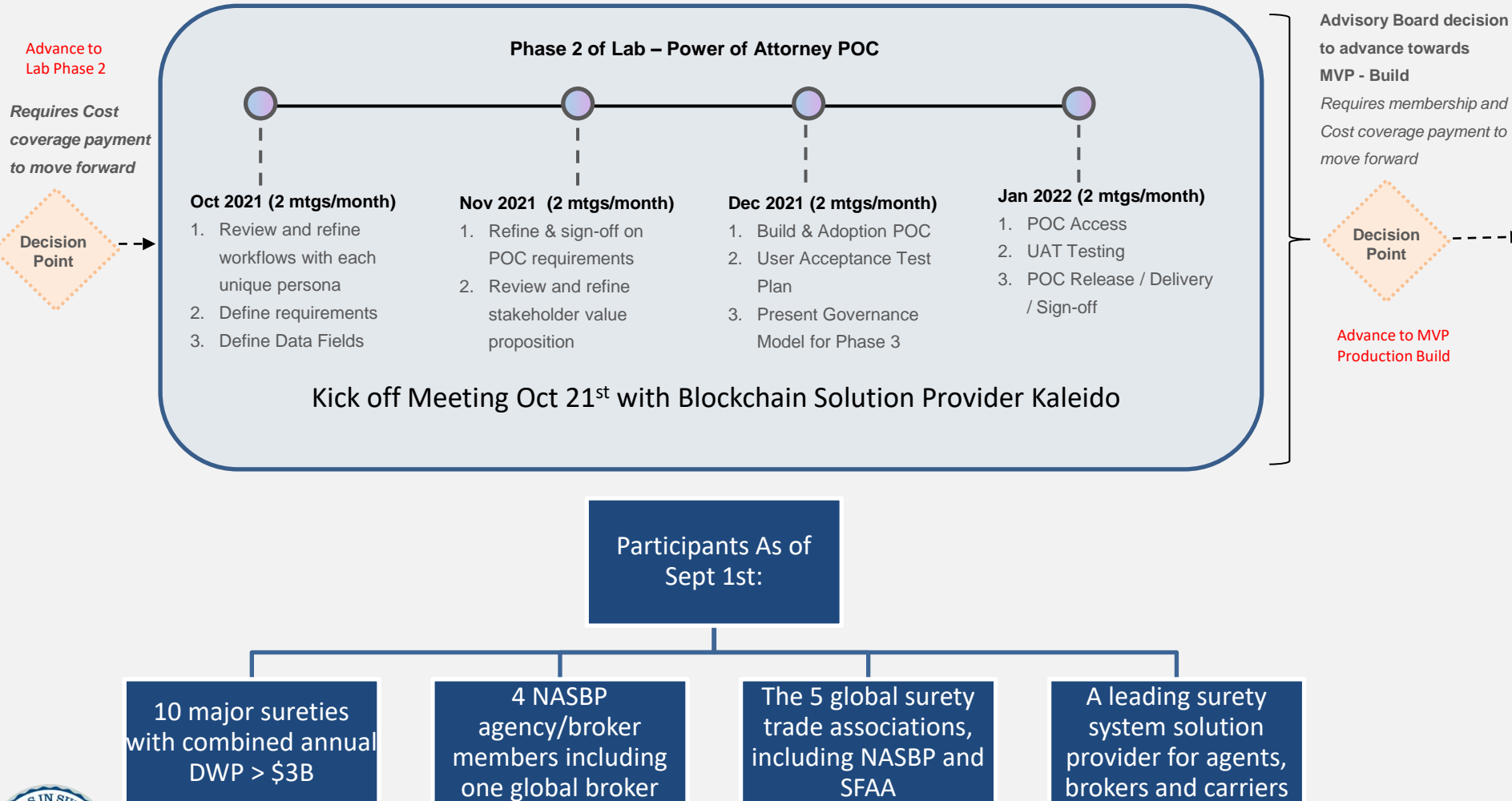
83 agencies/brokerages

8 industry associations

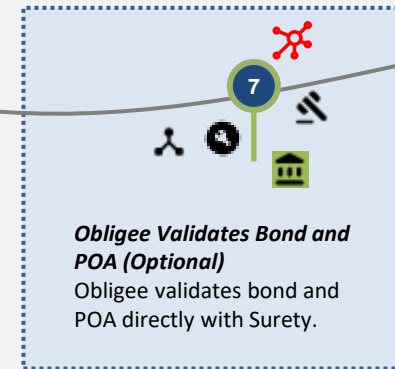
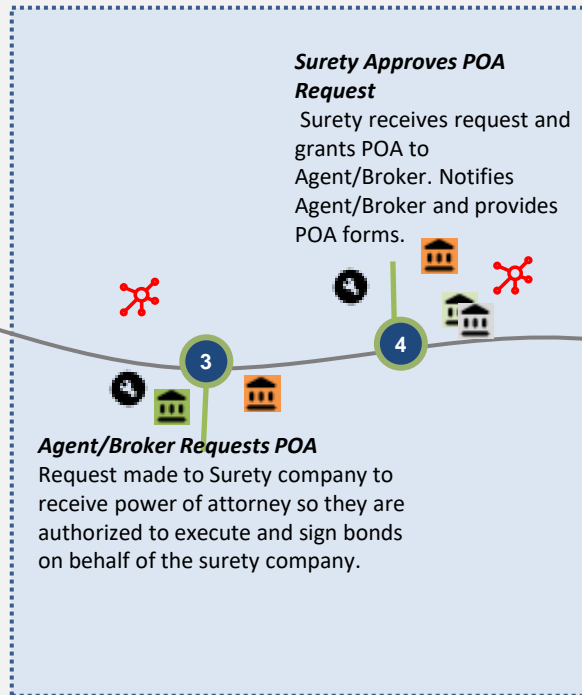
The SBA, system solution providers, CPAs and a university



# Power of Attorney Proof of Concept– Target Timeline



# Proof of Concept Scope: Power of Attorney



**Key:** DLT Benefit

Current Scope for POC

Future Functionality

Out of Scope

## Surety Personas:

Policy Owner / Principal

Insurer / Surety

Agent / Broker / Producer

Other Insurers

Other Producers

Collaborators (Obligee / Beneficiary)

Solution providers / Vendors

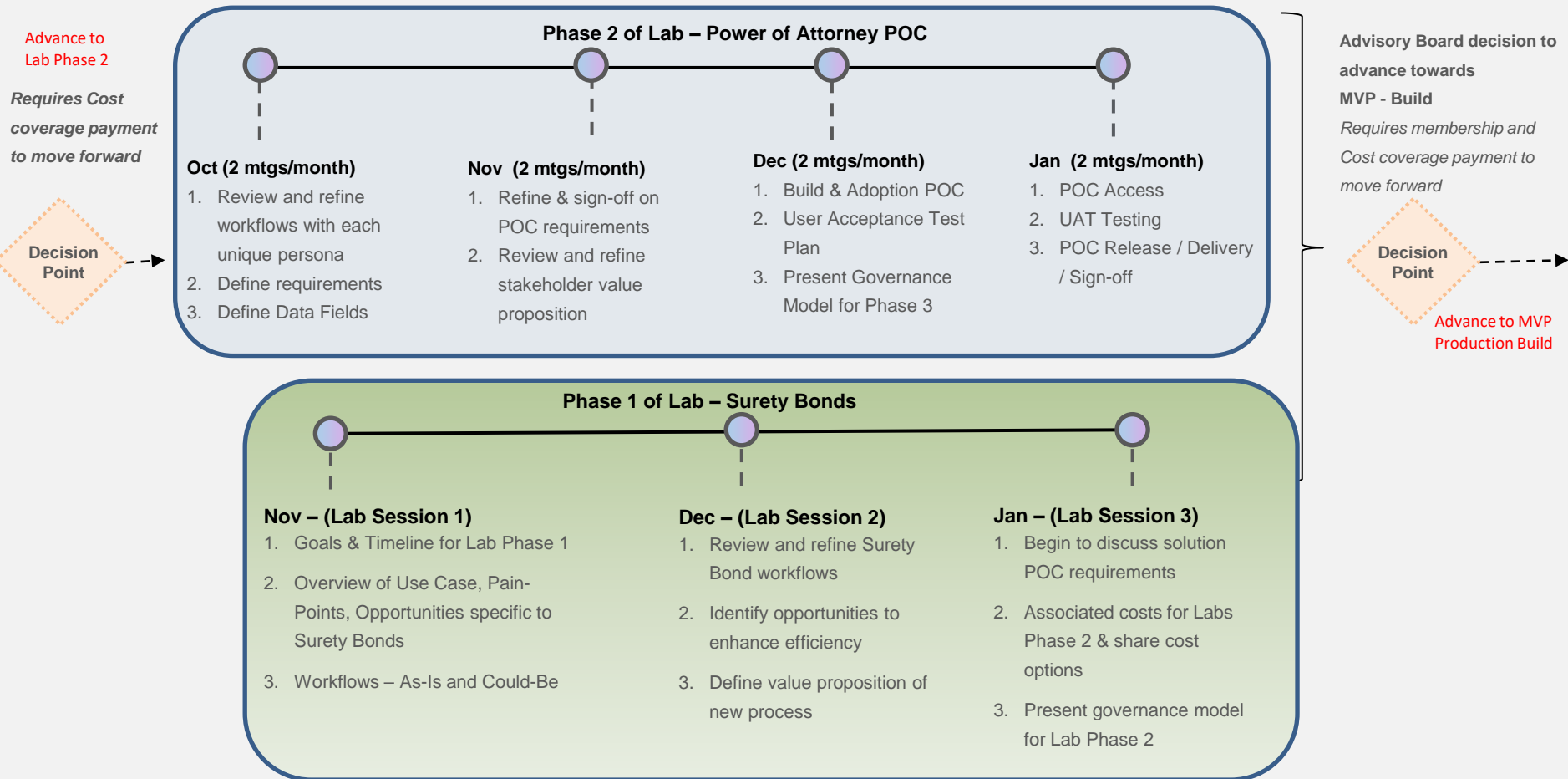
Regulators

POC Scope



# Accelerating the Bond Phase!

## Workshops Begin This Fall, Free to All



# Be Part of the Solution!



# ALERT

## RiskStream Surety Power of Attorney Lab Update and What's Next



NASBP and RiskStream are pleased to announce that they have received favorable interest to build off the success of Phase 1 and launch Phase 2! You are welcome to participate in Phase 2 even if you didn't participate in Phase 1. **If you are interested in joining Phase 2, email Sandy Hampel at [hampel@theinstitutes.org](mailto:hampel@theinstitutes.org) today!**

There are roughly 20 organizations who have expressed interest to move forward onto Phase 2, including 10 of the top 20 major U.S. sureties! There is an interest across the ecosystem, from sureties, agents, and solution providers.

There is full support by the surety industry's trusted leaders across the globe, including NASBP and these organizations:

- The International Credit Insurance & Surety Association (ICISA)
- Surety & Fidelity Association of America (SFAA)
- The Surety Association of Canada (SAC)
- Pan American Surety Association (PASA)

**Riskstream is now aiming to receive commitment to meet the minimum \$100,000 proof-of-concept (POC) build costs.** The goal is to reach \$125,000, which will allow for additional flexibility in defining requirements for the POC.

**Email Sandy Hampel at [hampel@theinstitutes.org](mailto:hampel@theinstitutes.org) today to join the next phase of the RiskStream Surety Lab journey!**

**Your commitment, engagement, and support to join Phase 2 is very important to meet this goal! Reminder: The more participating organizations in Phase 2, the greater potential for cost reductions.**





# Convincing Obligees & Decision-Makers

- Gain industry cohesiveness around the right technology
- Set the vision & find champions
- Sell the benefits
- Tell success stories
- Be dogged, as this will take time
- Join A&T Committee and be a BlockHead!



# Questions?





## For Immediate Release

**SFAA Contact: Peter Roth**, Vice President – Strategic Communications, Marketing & Research  
Phone: (703) 401-0676 | E-mail: [proth@surety.org](mailto:proth@surety.org)  
**NASBP Contact: Kathy Hoffman**, Director of Communications  
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*Best practices for project owners and procurement agencies at all levels of government*

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“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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Contact: Peter Roth  
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E-mail: [proth@surety.org](mailto:proth@surety.org)

Contact: Kathy Hoffman  
**NASBP**  
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E-mail: [khoffman@nasbp.org](mailto:khoffman@nasbp.org)

### **GSA Issues Order to Accept E-Signatures for Surety Bonds During the COVID-19 Pandemic Will Allow Critical Infrastructure Projects to Move Forward**

**April 9, 2020, WASHINGTON, D.C.**— The Surety & Fidelity Association of America ([SFAA](http://www.sfaa.org)) and the National Association of Surety Bond Producers ([NASBP](http://www.nasbp.org)) commends the United States General Services Administration (GSA) for issuing a critical Order: [\*Class Deviation – Flexibilities for Signatures and Seals on Bonds\*](#). The order, issued on April 6, 2020, will allow vendors and sureties to use electronic signatures in lieu of manual signatures and eliminate the requirement for any seals on the surety bonds. The GSA stated in their revisions to FAR, “neither requirement is conducive nor beneficial during times of emergency or crisis such as those presented by the Novel Coronavirus 2019 (COVID-19 pandemic).”

“The NASBP, SFAA and our industry members commend GSA for acting so quickly in issuing this order and we are working with other federal, state and local officials to issue similar orders under their authority,” said NASBP CEO Mark McCallum. “It is imperative that public officials immediately issue these orders in their jurisdictions to allow work on critical projects to begin and continue, while maintaining important protections for construction firms, workers and taxpayers,” added McCallum. This order extends to GSA contracts only and SFAA and NASBP have issued a similar [\*Request for Emergency Action\*](#) to other federal, state and local officials.

The order is effective immediately and remains in effect until rescinded or incorporated into the FAR and GSAR. “We thank GSA for having the foresight to recognize this need and take definitive action,” commented SFAA President and CEO Lee Covington. “We strongly encourage other agencies and officials to follow GSA’s lead and issue deviation orders for essential infrastructure projects. These projects are directly related to health, safety and the growth of our economy,” added Covington.

###

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**FOR IMMEDIATE RELEASE**

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**The National Association of Surety Bond Producers Joins The Institutes RiskStream Collaborative in the Launch of a Blockchain Working Group Aiming to Streamline Surety Bonds Power of Attorney Verification**

**MALVERN, Pa., December 22, 2020** – The [National Association of Surety Bond Producers \(NASBP\)](#) agrees to join [The Institutes RiskStream Collaborative™](#), the risk management and insurance industry's largest enterprise-level blockchain consortium, by participating in the new working group serving the Surety industry. This announcement follows [The International Credit Insurance & Surety Association \(ICISA\)](#) announcement, providing the second surety-based association to join the initiative. The working group is preparing to launch the first meeting in February 2021 and will focus on streamlining the power of attorney registration and verification process. Additional outreach to surety associations and potential participants is underway.

"NASBP was honored to be invited by ICISA, working with the RiskStream Collaborative, to embark on a groundbreaking effort for the surety industry—the application of blockchain technology to create a power of attorney repository. Such a repository can overcome the barriers of disparate systems, facilitating the ability of parties to receive and to verify the authority of the surety's attorney-in-fact who issued the bond. NASBP anticipates this effort to be among the critical first steps in applying blockchain technology to make surety bond transactions more efficient for all involved. On behalf of the bond producer community, I commend ICISA and RiskStream Collaborative for their able leadership, and I look forward to our work together for the betterment of the surety industry." – Mark H. McCallum, NASBP CEO

RiskStream Labs, a blockchain innovation hub designed to accelerate innovation across various sectors will facilitate the working group. ICISA and RiskStream continue to extend outreach to other industry associations who have been aware of and are supportive of the use case for powers of attorney. RiskStream member companies (consisting of carriers, brokers and reinsurers), non-members and other key industry players will also be invited to engage in the first phase of the program.

Christopher McDaniel, President of The Institutes, RiskStream Collaborate, said "RiskStream Labs brings together a network of stakeholders to discuss blockchain solutions. The lab will focus on providing greater convenience and efficiency for the power of attorney registration and verification process while promoting viability and strategic advancement for the surety industry."

The RiskStream Collaborative operates in property casualty (including surety), reinsurance and life & annuities areas. RiskStream aims to expand its network of members and connect insurance-oriented organizations to create greater efficiencies and achieve growth opportunities through blockchain innovations.

--cont'd--





### **About The Institutes RiskStream Collaborative**

[The Institutes RiskStream Collaborative™](#) is the risk management and insurance industry's first enterprise-level blockchain consortium that brings together experts and developers to advance insurance-specific use cases via Canopy, a custom blockchain architecture. The RiskStream Collaborative is committed to equipping organizations to work together to inspire product innovation, enable efficiencies, and open new technological frontiers.

### **About The Institutes | Risk and Insurance Knowledge Group**

[The Institutes](#), the leading provider of risk management and insurance knowledge education and solutions, offer professional designations, including the CPCU® program. In addition, The Institutes provide introductory, foundational, and leadership courses and programs; online and continuing education courses; custom solutions; events and conferences; online and print news platforms; assessment tools; and research reports.

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### **About NASBP®**

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.

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## **The Institutes RiskStream Collaborative® Builds Off the Success of its Surety Bonds Power of Attorney Verification Lab to Launch Second Surety Bond Lab**

*The Institutes RiskStream Collaborative®, the risk management and insurance industry's largest enterprise-level blockchain consortium announced plans to advance its international efforts on the Surety Bonds Power of Attorney use case and launch a new lab for the Surety industry. The new Bond Signature and Verification lab will launch in the fall of 2021, while a proof-of-concept for the existing Surety Bonds Power of Attorney Verification Lab will advance.*

MALVERN, Pa. ([PRWEB](#)) August 12, 2021 -- [The Institutes RiskStream Collaborative®](#), the risk management and insurance industry's largest enterprise-level blockchain consortium announced plans to advance its international efforts on the Surety Bonds Power of Attorney use case and launch a new lab for the Surety industry. The new Bond Signature and Verification lab will launch in the fall of 2021, while a proof-of-concept for the existing Surety Bonds Power of Attorney Verification Lab will advance.

“The surety industry is known for multi-party data verifications and exchanges between the principal, obligee and surety. Blockchain technology offers a potential solution to some of the pain points within these multi-party workflows,” said Patrick Schmid, vice president of the RiskStream Collaborative. “The power of attorney use case was the logical starting point and we’re excited to advance it forward. We are also excited that it will lead to many more downstream use cases, including Bond Signature and Verification.”

Each working group will continue to be facilitated by RiskStream Labs, a blockchain innovation hub designed to accelerate innovation across various sectors. RiskStream's Surety initiative has continued support from international surety associations, including The International Credit Insurance & Surety Association (ICISA), the Surety & Fidelity Association of America (SFAA), the National Association of Surety Bond Producers (NASBP), the Surety Association of Canada (SAC), and the Pan American Surety Association (PASA). In addition to the involvement of various surety associations, RiskStream members (carriers, producers, and reinsurers), non-members and other key industry players have all been involved in the early portions of the Surety Labs.

Although the work to-date positions the Surety Bonds Power of Attorney Verification use case to advance to a proof-of-concept phase, it is simply just the beginning for the surety industry. Enabling the bond signature and verification real-time is an important aspect to the overall solution, greatly reducing the time, cost and risk.

“Bond Verification via Blockchain is the true “end game” of interest to all stakeholders in the surety bond process globally” said Greg Davenport, chair of ICISA's Surety Blockchain Working Group. “RiskStream's acceleration of the Bond Verification phase also allows us to bring obligees early into the design conversations, as they are the ultimate beneficiaries of the global solution we are undertaking.”

The collaboration and participation in the Surety Bonds – Power of Attorney Verification working group appears to show the industry is ready for transformation. We are actively recruiting and onboarding companies for both working groups. To participate or learn more contact [RiskStreamCollaborative@theinstitutes.org](mailto:RiskStreamCollaborative@theinstitutes.org).

“The global surety industry and RiskStream came together to create an innovative approach that will streamline

the surety bond process, RiskStream is committed to supporting the surety industry, and bringing together motivated organizations to create applications while leveraging Canopy 3.0.” comments Bill Keogh, Non Executive Chair, RiskStream Collaborative. “Canopy 3.0 and its new capabilities of blockchain-based tools, technologies and services provides a lot of flexibility for the insurance industry while reducing development complexity.”

#### About The Institutes RiskStream Collaborative®

The Institutes RiskStream Collaborative® is the risk management and insurance industry’s first enterprise-level blockchain consortium that brings together experts and developers to advance insurance-specific use cases via Canopy, a custom blockchain architecture. The RiskStream Collaborative is committed to equipping organizations to work together to inspire product innovation, enable efficiencies, and open new technological frontiers.

#### About The Institutes | Risk and Insurance Knowledge Group

The Institutes, the leading provider of risk management and insurance knowledge education and solutions, offer professional designations, including the CPCU® program. In addition, The Institutes provide introductory, foundational, and leadership courses and programs; online and continuing education courses; custom solutions; events and conferences; online and print news platforms; assessment tools; and research reports.

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