

**Surety Forms Working Group and Joint Automation Committee Meeting
September 24-25, 2015
Applied Systems, University Park, IL**

Attendees:

Leadership:

Jenni Waggoner	M. J. Schuetz Insurance Services
Robert Coon	Scott Insurance
Nick Newton	Newton Bonding
Jason Doll	Liberty Mutual Surety

Members:

Rye Capron	Main Street America Group
Andrea Christensen	CNA Surety
Stacy Cutbirth	Insurance Automation Group
Nicole DeChiaro	AIG
Fred Duguay	Bond-Pro, LLC
Mitchell Epstein	Chubb Surety
Brett Feagans	Agency Multiplied
Donna Gilbert	IVANS
John Gray	The Hartford
Danny Green	Focus on Innovation
George Hadley	SureTec
Lorice Haig	Xenex Enterprises, Inc.
Nicole Howe	Old Republic Surety Company
Doug Johnston	Applied Systems, Inc.
Cathy Krueger	Brooks Insurance Agency, Inc.
Courtney Larsen	CapSpecialty
Chris LeBlanc	Bond-Pro, LLC
Kimberly Mayes	Westfield Insurance Company
Diane Mical	Allstar Financial Group
Francis M. Moser	Blair Business Systems, Inc.
Bill Muller	Lexon Surety Group
Steve Muxlow	Mobile Bonds Inc.
Jennifer Newton	Newton Bonding
Miranda Newman	RLI Insurance Company
David Olson	Zurich
Brad Rasmussen	Merchants Bonding Company
Marissa Rutkowski	Applied Systems, Inc.
Travis Schreiber	M3 Insurance
Josefina Rojo	Mesirow Financial
Brian Shearer	Westfield Insurance

Association Staff:

Dave Golden	National Association of Surety Bond Producers
Robert Duke	Surety and Fidelity Association of America
Michelle Savage	XBRL US, Inc.

WebEx Participants:

Bev Hall	InSure Vision Technologies
Sherene L. Hemler	DSP Insurance Services
Debra J. Niemeyer	BB&T - John Burnham Insurance Services
Campbell Pryde	XBRL US, Inc.
Pam Stocks	InSure Vision Technologies

Surety Forms Working Group

[Day 1: Thursday, September 24, 2015]

A copy of the meeting agenda is available [here](#).

Introductions & Goals

The Surety Forms Working Group began at 8:00am CDT on Thursday, September 24th, 2015 with an introduction from Dave Golden. Dave welcomed the group and briefly recapped the progress since the last meeting. He highlighted the efforts of key individuals including the group leadership

- Jenni Waggoner
- Robert Coon
- Nick Newton
- Greg Davenport
- Jason Doll

Dave also thanked **Cal Durland, Doug Johnston and Donna Gilbert** for their significant contributions. There are many more that have contributed and it shows that our industry is dedicated to creating surety data standards using e-Label technology. This has resulted in the addition of the first eLabeled surety form to the ACORD forms library (502: Contract Bond Request Form) and a number of other accomplishments.

Debbie Niemeyer, one of the original pioneers who worked with Greg Davenport to promote the use of ACORD data standards in surety was able to join us via WebEx and thanked the group for their work.

We reviewed the goals on the agenda (*listed below*) and those in attendance agreed the list was complete and achievable. Dave asked the attendees if this meeting would be a success and worth the time and cost to attend if we accomplish all of the goals listed. The attendees agreed it would.

Goal	Everyone	Agents	Sureties	Vendors
engagement from all parties	✓			
finalize ACORD 501: Report of Execution for submission	✓			
finalize ACORD 503: Commercial Surety Bond Request for submission	✓			
identify the next form to complete	✓			
identify XBRL integration into the forms	✓			
discuss introduction of the FORMS to agents – let’s get them in their hands so they start getting use to look/feel.		✓		
introduction of the technology and timeline for deployment to sureties & vendors. (Developer’s Tool Kit available?)			✓	✓
identify any hurdles to implementation.			✓	✓

The attendees went around the room and briefly introduced themselves by stating their name and companies.



Background

Jenni provided the group an overview of our project and asked that attendees remember the following throughout the meeting:

- The term “**FORMS**” as used in our group is an ACORD term. It refers to specific forms which will be created for addition to the ACORD library. The term is not being used to communicate executed bond forms.
- Why develop ACORD forms? The forms themselves are the “**means to an end**”. Though they can be printed and viewed, their primary purpose is to hold/store data which can then be transferred electronically.
- ACORD forms and e-Label technology provide the universal platform essential for the vendors and carriers to develop technology for implementation.

She reminded the attendees that most importantly, we need to keep it simple. It is our responsibility to define the business processes. The majority of the technical work will be performed by ACORD and their team of data standards experts. She reminded the group that we were fortunate to have one of the most knowledgeable and experienced ACORD experts in the room: Donna Gilbert. She presented the group with a list of Surety Forms Working Group Affiliate Participants including their IVANS and ACORD membership status. The group was asked to submit a revision if any of the information was incorrect. She also provided the group a document detailing the project phases, available [here](#).

Dave provided an article titled, “Surety Bond Industry Adopts ACORD Data Standards,” by Alex Buckles, BondHub, published June, 2015 in *Pipeline*. The article documents the working groups’ progress and clearly describes our goals dating back over fifteen years. Click [here](#) to download the article.

Robert and Nick discussed the history of the effort to bring surety data standards to our industry. Beginning in 1996 with the initial meeting at Safeco, the efforts of Greg and Debbie, who wore a space suit with Greg at the 1996 NASBP Annual Meeting through last year’s “reboot” presentation by Nick and Greg at the 2015 NASBP Annual Meeting General Session in San Diego, CA.

ACTION: Group to review document listing Affiliate Working Group members showing membership status with IVANS and ACORD located [here](#) and submit edits, if necessary.

Demonstrations

Dave told the attendees that they were about to witness what we have referred to as, “**The AH HA! Moment**.” This is when we are able to create a live demonstration of commonly used software or web services to move data fields from one location to another. Two vendors had created these live demonstrations and were able to show attendees a demonstration of their work and take questions.

Danny Green of Focus on Innovation demonstrated he could create a bond using data imported from a completed form using e-SURETY. He entered sample data into the eForm, ACORD 502: Contract Bond Request Form. After saving the document, he imported the document directly into the system, which used all of the data to apply system rules and premium rating, resulting in a bond in the system. He was asked how difficult on a scale of 1 to 10 it was to create the functionality and he said, “5.”

The group asked how to avoid multiple entries for the same bond, principal names, etc. It was determined the group would need to address this later and that each vendor will have the functionality to customize business rules for each surety. (Data standards are only the starting point and foundation over which business rules can be applied.) Danny was asked what it will take to take this from a demonstration to a live function of e-SURETY and he responded, “discussion with agents and review of integrity, business requirements.”

Laura		MD 32707	FL
WORK ON HAND		CONTRACT / PROJECT NUMBER	
\$ _____ as of _____		RD1	
LEGAL PROJECT NAME		SCOPE OF WORK (including Special Hazards)	
Road Project		This is a project to build a big road.	
JOB LOCATION			
555 Test Ave			
Oviedo		FL 32765	
BID DATE	BID TIME	ESTIMATED BID	BID BOND AMOUNT
9/1/2015		\$ 4000	5 % or \$ _____
REMARKS			

CONTRACT INFORMATION			
ESTIMATED START DATE	NUMBER OF DAYS	CALENDAR DAYS	WORKING DAYS
01/01/2016		<input type="checkbox"/>	<input type="checkbox"/>
COMPLETION DATE		01/01/2018	
PENALTIES / DAMAGES			
\$ 5000			
PER DAY		OTHER:	
REQUIRED BOND FORM (Enter bond form title, number and edition date)			
FORM ATTACHED?		RETAINAGE	
<input type="checkbox"/> Y / N		<input type="checkbox"/> %	
PERFORMANCE AND PAYMENT BOND AMOUNT		MAINTENANCE PERIOD	
% or \$ 5000		3 <input type="checkbox"/> YEARS <input type="checkbox"/> MONTHS	
SEPARATE MAINTENANCE BOND REQUIRED		SEPARATE MAINTENANCE PERIOD	
<input type="checkbox"/> Y / N		<input type="checkbox"/> YEARS <input type="checkbox"/> MONTHS	

Share Browser WebEx | Bond | http://lb.e-surety.net-Atta... | e-SURETY Knowledgebase | Home - CRM | Recent Items - Esurety - V... | Windows Azure | Team Foundation Service | Ars Technica | ZDNet | Slashdot (15) | FOI Microsoft A

e-SURETY

Quick Search:

Recent Bonds | Today: Bond Document

All / CSR / Underwriting

CSR / Underwriting

Reports

Buy A Bond

Submit An Account

Upload Acord PDF

Acord Performance

Exit Bond | Actions | Go To Account

Your application for a \$5,000 Acord Performance v...

The bond number is ROBBY_119.

The premium is \$125.00 for the term of 9/1/2015 1

Thank you for choosing TEST INSURANCE COM

Bond Information

Action-Status: Purchase Quote From new Bond / Bond Object Type: Current

Bond Number	ROBB
Bond Version*	1
Bond User Version	1
Tracking Number	09031
Bond Standing	Active
Carrier Name	TEST
Bond Class	Perfor
Bond Category	Acord
Obligee	Testin
Producer Of Record	
Notes	
Responsible Underwriter*	Carrin

Premium

THE AM... CTS

Bond No. ROBBY_119

AIA Document A317

Performance Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address): Dave Golden Construction
1100 Main St, Laurel, Maryland 32707

SURETY (Name and Principal Place of Business): TEST INSURANCE COMPANY
123 Main St, Somewh, Florida 32002

OWNER (Name and Address): Testing Obligee
1940 North Monroe Street, Tallahassee, Florida 32399

CONSTRUCTION CONTRACT
Date: 01/01/2016
Amount: \$ 5,000.00 Five Thousand Dollars and Zero Cents
Description (Name and Location): 555 Test Ave., Oviedo, Florida 32765 Road Project

BOND
Date (Not earlier than Construction Contract Date):
Amount: \$ 5,000.00 Five Thousand Dollars and Zero Cents
Modifications to this Bond: None See Page 3

CONTRACTOR AS PRINCIPAL Company: Dave Golden Construction (Corporate Seal)

SURETY Company: TEST INSURANCE COMPANY (Corporate Seal)

Signature: _____ Signature: *Carrier Attorney In Fact*
Name and Title: _____ Name and Title: Carrier Attorney
Attorney-in-Fact

(Any additional signatures appear on page 3) Surety Phone No. 555-555-1212

(FOR INFORMATION ONLY - Name, Address and Telephone) AGENT or BROKER: *** Test Agency ***
123 Test Ln
123 Test Ln
333-333-3333

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

Lorice Haig of Xenex Enterprises, Inc provided the group a similar demonstration. Using the eForm, ACORD 502: Contract Bond Request Form, he imported the fields and provided the user the ability to review the entered data using Xenex prior to importing it. This clearly demonstrated the replacement of manual entry of data into the web site. When asked how long it took to develop this demonstration, he responded, "three days."



CONTRACT BOND REQUEST FORM

DATE (MM/DD/YYYY)
09/15/2015

TO Surety Bond Carrier of America			FROM Surety Bond Agency International		
PRINCIPAL NAME Perfect Highway Builtes			OBLIGEE NAME State Government, Department of Transportation		
PRINCIPAL ADDRESS 123 Main Street Unit 50235 Construction City NY 2345			OBLIGEE ADDRESS 987654 Nation Street State Town PA 3265		
WORK ON HAND \$ 102235684 as of 08/31/2015			CONTRACT / PROJECT NUMBER State Project #852654		
LEGAL PROJECT NAME Highway Between two Towns			SCOPE OF WORK (including Special Hazards) Remove existing street and convert it to a highway.		
JOB LOCATION 63638 Cross Town Area Construction City NJ 4568					
BID DATE 09/30/2015	BID TIME 2:00 PM EST	ESTIMATED BID \$ 9,000,000	BID BOND AMOUNT 10 % or \$ 900,000		
REMARKS					

HOME **BOND LIST** ISSUE BOND ABOUT CONTACT US

Update Doc

Contract Bond Request Form

Data

Form_CompletionDate_A(1):	09/15/2015
Form_EditionIdentifier_A(105):	ACORD 0502 2015-04 Acroform
Obligee_MailingAddress_AddressLineOne_A(14923):	987654 Nation Street
Obligee_MailingAddress_AddressLineTwo_A(14924):	
Obligee_MailingAddress_CityName_A(14925):	State Town
Obligee_MailingAddress_PostalCode_A(14927):	3265
Obligee_MailingAddress_StateOrProvinceCode_A(14926):	PA
SuretyLineOfBusiness_BidBondAmount_A(14901):	900,000
SuretyLineOfBusiness_BidBondPercent_A(14900):	10
SuretyLineOfBusiness_BidBond_AdditionalRemarkText_A(17606):	This is a test Bond
SuretyLineOfBusiness_BidBond_RemarkText_A(14917):	
SuretyLineOfBusiness_BidDate_A(14897):	09/30/2015
SuretyLineOfBusiness_BidTime_A(14898):	2:00 PM EST
SuretyLineOfBusiness_BrokerageName_A(17612):	Surety Bond Carrier of America
SuretyLineOfBusiness_CompletionTime_A(14906):	365
SuretyLineOfBusiness_EstimatedBidAmount_A(14909):	9,000,000

Extract and Consume data from ACORD® 502 Contract Bond Request Form into the receiving system

The attendees were impressed by the two demonstrations and optimistic that such a dramatic visual will help people understand why we are working to achieve a surety data standard using e-Label technology. These demonstrations showed the group how easy it was for a vendor to work with the ACORD eForms. Dave asked, "When will we be able to see this functionality live in all surety software and web services?" The group needs to continue to define the surety data standards and work with the vendors to perfect their integration. The room agreed we need to share these demonstrations and celebrate the work of the companies utilizing the ACORD surety data standards.

Donna added, "It's important to have any data client/agent/carrier identifiers necessary to exchange the data." She also reminded the group that we never want to rely on text fields to exchange data. Some of the other identifiers we should include on our forms include:

- surety NAIC code
- client code from agent system
- producer code (which is specific from carrier)
- producer sub-code – individual for agency

Robert asked the vendors what concerns our group needs to address in order to help with implementation. They responded with the following:

- validation
- data integrity
- demand
- technical requirements/dictionary

The group discussed the tremendous value this creates for the carrier, including real time analytics. Dave Olson verified that specific obligee identification numbers were needed, perhaps a central registry. He pointed out that our industry is thinking too small and customers do want this technology. The relationship dynamics will not change and all clients will not do it the same way.

Michelle Savage presented an introduction to XBRL. XBRL US is the national data standards organization which develops and maintains the specifications to support the collection, sharing and use of structured data for business data reporting and analysis. This includes the SEC.

These data standards have a high level of structure to ensure strict formatting for financial data using validation rules to adhere by financial statements. There are many tools available, including several add-ins for Excel, to work with these data standards.

Robert asked if any other vendors are contributing to their efforts in the private sector. Michelle discussed a pilot program which would be presented later in the meeting that involves Zurich, Liberty, PwC, and Gallina LLP. The goal of the pilot program is to develop the first taxonomy and demonstrations using accounting vendors and starting with the work in process schedule.

ACTION: Group should urge their vendors to implement this functionality and work with Dave Golden to demonstrate this functionality to Membership.

ACTION: Implementations should be discussed, demonstrated and celebrated by the group.



Timeline & Processes

Dave shared a document detailing the timeline for the group. This document will be constantly revised as we make progress and set new goals. He also provided the group a document demonstrating the process to create a form and submit it to ACORD. These steps were verified by Cal Durland. We expect to tweak and perfect this process with each additional form. The ACORD technical timeline can be downloaded [here](#).

The technical work, including formatting of the document and consistency is performed by ACORD and our group should not focus on this part of the process.

A number of resources educating our industry have been created since our last meeting. A document was distributed showing the number of articles, including an article titled, "Surety Industry Steps Into the Future with Data Standards" by Robert Coon in the November 15th 2015 Construction Executive Surety Supplement.

The group discussed the timeline and next steps. The group asked, "What's keeping those who did not join us today from participating?" Attendees mentioned that there is some resistance from carriers, especially those with their own systems. The consensus in the room from the agents was that most systems were cumbersome at best. Agents need to promote surety data standards with the highest ranking staff at the carrier to move forward. Nicole commented the NASBP 5-15 Leadership Circle should have an ear to the ground and work with us closely. Brent said, "We need a surety data standard. Everything else will fall into place from a vendor perspective."

Michelle suggested creating a webinar, as XBRL US does to educate and promote their efforts. Dave said this was an excellent suggestion and we would need to discuss this further.

ACTION: The members of this group have been asked to help promote our efforts using social media. Please follow NASBP on LinkedIn, Facebook, and Twitter and share our progress to spread the word throughout the industry.

ACTION: Individuals need to write articles to submit (or for NASBP to submit) to various publications.

ACTION: Agents need to promote our efforts and work with carriers (particularly those who are not participating with our group) to ensure they understand the importance of our work.

ACTION: NASBP to create and schedule a webinar with the intention to educate the industry raise interest.

Accessing the Forms

Dave demonstrated the [NASBP Tool Kit Forms on the NASBP web site](#) and explained the forms are available for the public to download.

Cal explained to the group how the ACORD Forms Library can be accessed. An ACORD member can access the form on the ACORD web site upon logging in. These ACORD members (which are carriers) can provide the eLabeled form for agents or vendor use. **If a carrier ACORD member who is also supporting the ACORD forms requests that a vendor develop the eForm functionality for them, then the vendor would not need to be licensed. They would be doing the work on behalf of an ACORD member who is also a forms licensee.**

ACORD Surety Forms

The group reviewed the ACORD 501: Surety Report of Execution, which has been updated and will be eLabeled. The document must be submitted by October 2nd, 2015 for voting in November. The following changes were requested by the group prior to finalizing the form:

Add to Header: BOND NUMBER (for surety industry this compares to an insurance policy number)

Agency/Broker Section:

- REMOVE: Fax Number

Producer Section:

- REMOVE: Fax Number
- REMOVE: Code
- REMOVE: Subcode
- ADD: National Producer ID

Client Section:

- ADD: Federal Employer ID No.

Principal Section:

- REMOVE: Billing Code, replace with below
- ADD: Surety Client ID

Surety Section:

- ADD: Federal Employer ID No.
- Condense all of the above sections as "cleanly" as possible to mirror insurance ACORD forms on all Surety related ACORD Forms.
- Rearrange Client/Principal Boxes so they are side by side, rather than one under the other.
- Make sure we have plenty of room for a lengthy client and/or principal name.

ADD a Transaction Details Section: (much of the information from the "Bond Details" section will reside here):

- TRANSACTION TYPE – REVISE check boxes with the following options: New Bond, Renewal, Endorsement, Cancellation, Reinstatement, Close Out
- MOVE: SFAA Class code to just before the below check boxes
- SFAA Classifications – change from drop down to check boxes for all descriptions previously provided in the FIG information
- Revise FIG text for "Effective Date" to read: "The effective date is either the date of the bond or the date of the change of an existing bond"
- ADD: BILLING METHOD: add check boxes for Agency Bill or Direct Bill
- ADD: (move) Premium Amount
- ADD: (move) Commission Amount
- ADD: (move) State Surcharge Amount
- ADD: (move) Municipal Tax Amount
- ADD: (move) Service Fee Amount
- REVISE: Renewal Method (DELETE "Code") to include the following check boxes: Continuous, New Bond, Continuation Certificate, Verification Certificate, Term/No Renewal Method
- REVISE: Renewal Billing Method to read RENEWAL PAYOR (to keep with ACORD standards)

Bond Details Section: (left with the following information)

- REMOVE: BOND NUMBER
- REVERSE/REVISE Location of Obligation/Attorney-in-Fact Name as follows (place before the bond form section)
 - Attorney in Fact Name:
 - Attorney in Fact National Producer ID
 - Location of Obligation – break out into individual fields: Street Address (include "if any/if known" in FIG), City, County/Parish, State or Province Code
- REMOVE: BOND AMOUNT
- Leave in this Section:
 - Bond Form
 - Is there a Rider? Y/N check boxes
 - Description of Rider

Contract Bonds Section: (need two lines to add additional information)

- LINE 1:
 - AS IS: Contract Price
 - AS IS: Contract Date
 - AS IS: Estimated Start Date
 - AS IS: Estimated Completion Date
- LINE 2:
 - ADD: Performance Bond Limit
 - ADD: Payment Bond Limit
 - ADD: Maintenance Bond Limit
 - AS IS: Maintenance Term with fillable text and check boxes days/months/years

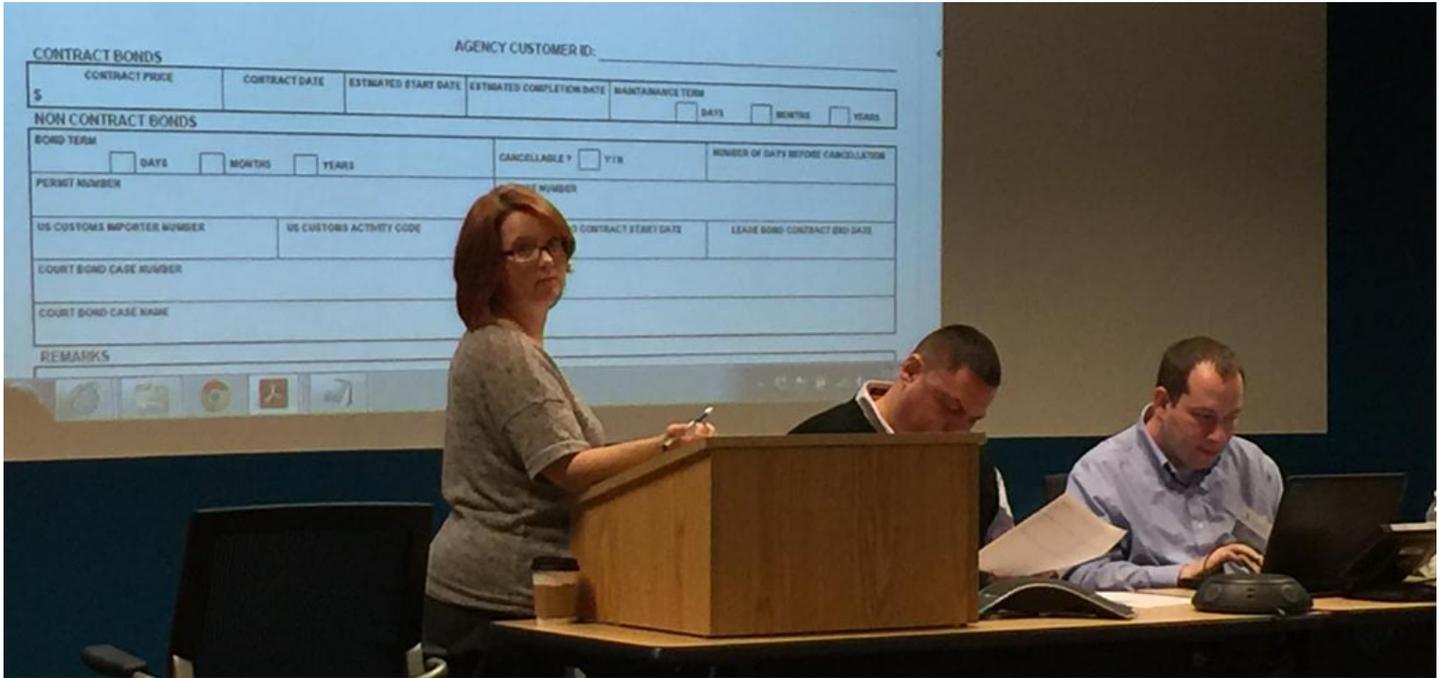
Non-Contract Bonds Section:

- ADD Bond Limit Section (as was previously in bond details section) – Please make this the first field for this area on line 1, leave all other data on line 1 the same, just revise the spacing?

Supplemental Information (if any) Section:

PAGE 1 Add "Remarks" to box at the bottom of the page

DELETE PAGE 2 ENTIRELY (Delete Variable Commission and Delete Scale Commission)



The group also reviewed the ACORD 503: Commercial Surety Bond Request Form, which was created by the NASBP Commercial Surety Committee and presented to the Surety Forms Working Group by Nick Newton. The following changes were requested prior to submitting the form:

IDENTIFICATION:

- remove AGENCY CUSTOMER ID on beginning of the first page
- make first block of fields (To, Fax, E-mail) consistent with ACORD 502
- change all instances of "E-mail" to "Email"
- Use the National Producer number for the individual broker/agent

NEW:

- add CLIENT: section (prior to PRINCIPAL)
- add Client ID, Principal ID to appropriate sections

TYPE OF BOND NEEDED:

- remove service / contract, supply, maintenance checkboxes
- move SFAA Class Code to this section (Type of Bond Needed)
- add guidance/instructions under class code

BOND INFORMATION:

- add EFFECTIVE DATE and EXPIRATION DATE
- FIG / hover in COMMENTS TBD "if known,...."
- move and shrink, "DESCRIPTION OF OBLIGATION."
- remove "CONTRACT BONDS" section
- after Court Bonds, "Please attach copy of court documents. (eg petition, court order, motion, affidavits)"
- at bottom, move and shrink "Bond Form Required."
- add "ATTORNEY FIRM" "ATTORNEY ADDRESS" "ATTORNEY PHONE" "ATTORNEY EMAIL" next to Attorney Name

In addition, the 501, 502, and 503 should all have a standard heading as well as consistency regarding "Same as" address checkboxes across all forms in the Agency, Principal, Client, Obligee and Surety sections of all forms. We also agreed to remove "fax" from all forms.

We briefly discussed SFAA codes / drop-down fields and licensing issues. Rob suggested we schedule a call with ACORD to discuss further the relevant copyright and licensing issues.

The group discussed the next form we should work on after the 501 and 503 are added to the ACORD Form Library. We all agreed that we need to be aggressive and complete as many forms as possible to encourage integration. The pipeline of forms was reviewed and it was determined this would be the order:

- Small Business Contractor Questionnaire
- Contractor Questionnaire
- Commercial Application
- Status Inquiry Form
- Service/Supply Contractor Questionnaire

ACTION: Jenni will submit the revised ACORD 501 with requested changes summarized to Ellen at ACORD prior to October 2, 2015.

ACTION: Group will review and finalize ACORD 503 in advance of June, 2015 ACORD Vote

ACTION: Group will request we modify the ACORD 502 to include the principal FEIN

ACTION: Begin working on the next form listed above, the Small Contractor Questionnaire.

ACTION: Group should reach out to all sureties who write "express" / personal credit bond programs looking for the common denominators each carrier needs to have and ask if they'd ALL agree to accept the finalized ACORD form.

ACTION: NASBP plans to rely on WebEx and conference calls to continue working on forms and integration efforts in 2015/2016.

ACTION: NASBP, SFAA, and ACORD should discuss using SFAA codes / drop-downs on the forms.

ACORD eLabel Mappings: Reduce Errors. Save Development Time.

Cal provided an update the group with a detailed explanation of ACORD eLabels and eForms. An eForm is an electronic fillable ACORD form that is capable of collecting data. An eForm can contain:

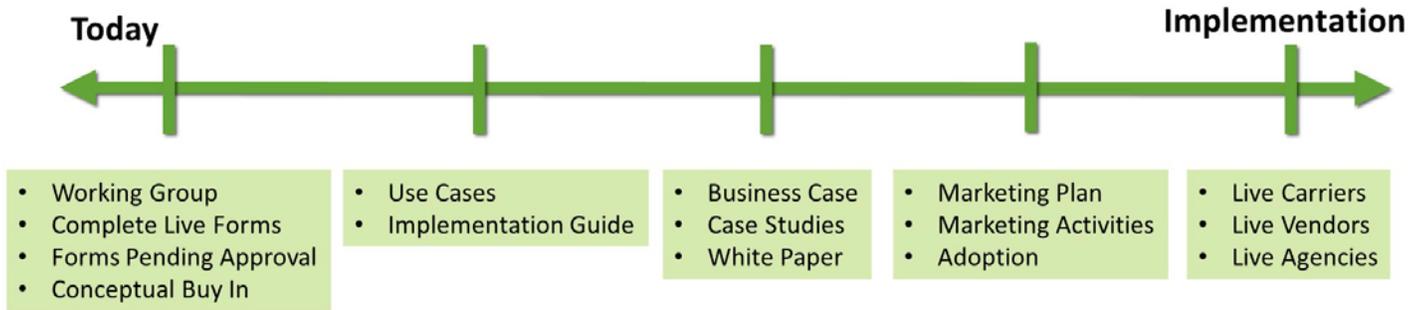
- The layout of the form
- An atomic definition of the fields
- Instructions for completing each field (FIG)
- Consistent labeling of the fields on the form (eLabels)
- Consistent XML format for data extraction of population

She explained that the value of using eForms includes:

- **agents:**
 - one form can be used with many sureties
- **carriers and vendors:**
 - ongoing maintenance is much easier
 - once you have implemented eForms the latest updates can be downloaded and plugged into your system

Implementation

Jason presented a diagram to the group detailing where we are today and how to get to the implementation stage.



Three groups were created and those in attendance were asked to volunteer for these groups. The volunteers for each of these groups are listed below.

Use Cases / Implementation Guide	Business Case / Case Studies / White Paper	Marketing Plan / Marketing Activities / Adoption
<ul style="list-style-type: none"> Greg Davenport Nicole DeChiaro Jason Doll Rob Duke Brett Feagans Dave Golden Danny Green Lorice Haig Nicole Howe Courtney Larson Nick Newton Jenni Waggoner 	<ul style="list-style-type: none"> Robert Coon Greg Davenport Nicole DeChiaro Jason Doll Dave Golden Lorice Haig Nicole Howe Courtney Larson David Olson Jenni Waggoner 	<ul style="list-style-type: none"> Greg Davenport Jason Doll Rob Duke Dave Golden

ACTION: NASBP to contact all Surety Forms Working Group members and request they join at least one of the three volunteer groups above to focus their efforts. This roster is to be completed by the end of October, 2015.

ACTION: A business case needs to be developed as soon as possible.

ACTION: Dave and Greg will search for an existing business case that may already exist from a decade ago in an old ACORD report.

ACTION: Use Case / Implementation Guide group should begin work to create implementation guide as soon as possible.

XBRL

Jason provided more details on Liberty's work with XBRL and explained the importance of the XBRL Surety Pilot Program. He introduced Michelle Savage and Campbell Pryde.

XBRL US presented a pilot program they're launching in October which has been sponsored by Liberty Mutual, GALLINA LLP, Zurich Insurance and PwC. The pilot will test out the premise of using the XBRL standard to streamline the process of creating, processing and consuming the WIP report and associated financials. The Pilot will include developing a taxonomy (digital dictionary of terms), creating sample XBRL-enabled WIP reports and writing a business case outlining the results of the program. Using a structured data standard like XBRL is expected to reduce costs, increase timeliness and improve accuracy of WIP reporting for the reporting supply chain. The NASBP and the SFAA have been invited to participate in the Taxonomy Working Group. XBRL US and the pilot team are interested in identifying other sureties, agencies or vendors to participate as additional sponsors to the program.

Details on the XBRL Surety Pilot Program are available for download by clicking [here](#). Michelle Savage can be contacted by email at michelle.savage@xbrl.us if you are interested in participating in the pilot program or have any questions.



Joint Automation Committee **[Day 2: Friday, September 25, 2015]**

Suretyautomation.org

Dave shared the suretyautomation.org web site on the screen and told the group it had not been updated since we launched it. The only content that has been updated is the RSS feeds, which pull news from other sources. Web traffic is down, but the site is still used as a resource by the group. The attendees agreed we need to continue to add relevant information to the site – beginning with a Surety Forms Working Group section that shares updates and is open to all working group members. Brett suggested we create a wiki. Jenni suggested we add more details on XBRL. Jason suggested we create two sections, one for surety professionals and one for non-surety professionals.

ACTION: NASBP to create Surety Forms Working Group section on site

ACTION: SFAA to provide NASBP with additional edits/content to update for the site

ACTION: NASBP to research a way to communicate with the entire group (consisting of members, affiliates, non-members, non-affiliates, vendors, industry professionals, etc.) Google Groups?

ACTION: NASBP to review options for creating different sections for the site and adding a wiki

Update of Electronic Bonding Developments

1. Electronic Customs Bonds

Robert Duke stated that the functionality to file Customs bonds (continuous transaction bonds and single transaction bonds) through the Automated Commercial Environment has been operational since January 1, 2015. Each surety has a single portal through which the bond must be filed. The electronic filing of all bonds and entries will be mandatory March 2016.

2. Electronic Mortgage Broker Bonds

Robert Duke reported that the Conference of State Bank Supervisors (CSBS) is developing an electronic bonding functionality within the National Mortgage Licensing System (NMLS). CSBS sought surety company and agent representation on a working group that is overseeing the system's development. Representatives from CapSpecialty, Zurich North America, Hartford, Great American, International Fidelity and Guarantee Company of North America are participating on the working group. NASBP also has representation on the working group. The first phase of the project, implementing the functionality to accept surety and producer registrations, is expected to be completed and made operational by early 2016. This phase currently is in testing and NMLS has invited any surety or agent to participate in the testing. Rob reported that the system will allow a surety to authorize agents to execute bonds on its behalf on a bulk basis. The bond execution functionality (the second phase) is expected to be completed in mid 2016.

DOT Updates

Robert Duke reported that the Missouri Department of Transportation has pilot projects to accept electronic performance and payment bonds. Last year, SFAA staff saw a demonstration of the MoDOT process. InfoTech (the electronic bid vendor) representatives advised that it is providing only a "secure channel" for the process and is the "middle man" for the transfer of documents and data between MoDOT and the surety solution provider (Insure Vision or Surety 2000). It is the Department of Transportation that must dictate the process. In exploring whether the proposed process includes a writing, MoDOT representatives indicated that a pdf image of the bond with digital signatures and a power of attorney is provided to MoDOT. The InfoTech demonstration included the following steps in the process flow:

1. Contractor is awarded contract.
2. Contractor logs in to the InfoTech system and downloads the contract and saves it to its own computer.
3. The contractor's computer must have the signing software installed on its computer.
4. The contractor signs the contract and submits it via InfoTech.
5. The surety/surety agent, through its solution provider (Surety 2000 or Insure Vision) provides the performance bond id that identifies the executed performance and payment bond. Infotech confirms the existence of the bond.
 - a. The solution provider, through a web service between InfoTech and the solution provider, provides a pdf of the executed bond and power of attorney.
 - b. (Surety 2000 explained that the surety provides pdf of power of attorney to Surety 2000. The agent executing the bond completes a fillable pdf of the bond, digitally signs it and submits it to the solution provider.)
6. The bond and power of attorney is stored in an attachment folder and the bond is one of the documents signed by the contractor.
7. The solution provider has the capability of retaining a copy of the fully executed bond.

Rob understands that the Iowa Department of Transportation is considering a similar process, but first must make some changes to the law to permit electronic bonds.

Jason Doll advised that the Michigan Department of Transportation is considering functionality for electronic performance and payment bonds. He understands that MDOT will be issuing a request for information in November to gather feedback regarding the most appropriate and efficient approach.

IT Survey & Vendor Discussion

Dave shared the revised IT Survey questions from 2013, the last time we conducted the survey. The last survey collected data for both NASBP and SFAA to analyze and create their respective reports. These questions have been reviewed and edited, but need to be reviewed further. The questions are available [here](#).

At the NASBP Annual Meeting in San Diego, Cal proposed distributing the IT Survey to a broader audience as part of a larger survey her AUGIE group develops. The first survey they conducted had 7,000 participants and the follow up survey had 9,000. This is compared to the dozens of participants NASBP and SFAA had completing their surveys. They offered incentives and held events at their meetings to encourage participation in the surveys including drinks and prizes. She is currently in the process of recruiting volunteers for this group. The survey results would be distributed to all associations who participate in drafting the questions and data could be distributed by those associations once finalized by ACORD. Raw data would be sent to each association as well for detailed reporting. Cal said the goal is to launch the survey questions in February and issue the final report by late May to consider budget implementations for those receiving the results. Surety would receive 20-25 questions in the survey.

Dave asked the vendors in the room how we can help them. He expressed an interest in having them attend more meetings and participating with the Automation and Technology Committee. Lorice said it was important that they are kept in the loop – the more information, the better. Dave responded that our group is transparent and provides vendors as much information as possible as soon as possible. He suggested the vendors read every publication NASBP sends including Surety Bond Quarterly, Pipeline, SmartBrief, and follow us on social media for the latest news. Lorice also said he needs to know our pain points so he can create solutions. Brett said since they are growing their product, they anticipate meetings like this one and look forward to attending to help.

Dave thanked the vendors for realizing the line they cannot cross during our meetings to promote their products. Rob suggested we read an anti-trust statement prior to starting the meetings.

ACTION: Volunteers are needed to participate and focus on reviewing the questions and to join the larger ACORD Survey Group.

ACTION: This group should begin by reviewing and editing the document found [here](#).

ACTION: NASBP and SFAA should look into the process of an antitrust statement prior to our meetings.

Revisiting the Power of Attorney Database

Robert Duke reported that the SFAA eBusiness Advisory Committee has raised the issue of whether SFAA should revisit the issue of developing an electronic power of attorney repository given new available technologies and recent instances of surety fraud. This issue also was raised at the SFAA Board of Director’s meeting on September 3, 2015. The Board discussed the proper scope of the project and whether it should be an industry effort or whether privately developed solutions are more appropriate. The Board agreed that these strategic issues should be addressed first by the Board before the Committee turns to the issue. The Board agreed to form a Board-level working group to address the issues regarding the advisability of a repository project and its proper scope. Based on the recommendations of the working group, the Board then will set the parameters of the Committee’s efforts.

Wrap-Up

Prior to concluding the meeting, we discussed what we liked about the meeting and what we would change next year. The following comments were made:

Pros	Cons
<ul style="list-style-type: none"> • Applied was a great host • communication/planning • input on agenda and goals prior to meeting • Applied Drivers -- Eddie • Doug and his staff – we felt welcome • A lot was accomplished in just two days • combining our SFWG and JAC meeting • attendance was high (38) • good balance: we are getting an education and moving boulders forward • very productive • great leadership 	<ul style="list-style-type: none"> • WebEx participation difficult • acoustics for dial-in • wi-fi password too difficult • too cold! • crazy hotel shuttle driver

ACTION: NASBP needs to set aside time at the Annual Meeting for another Surety Forms Working Group working meeting (2+ hours) in addition to the Automation and Technology Committee meeting.