

MEDIA RELEASE

Surety Association of Canada Continues to Recommend Digital Bonds During COVID-19 Pandemic & Beyond

October 6, 2020 – Mississauga, ON – Since the onset of the COVID-19 pandemic in Canada, there has been a need for dramatic shifts in the methods for the distribution of surety bonds, more specifically for construction projects and service/maintenance contracts. Further to the Surety Association of Canada’s (SAC) media release posted on March 16, 2020 found [HERE](#), the association would like to reiterate its recommendation of digital bonds and has recently released their *White Paper: Digital Bonds the Way of the Future – and the Present*.

This white paper provides a detailed overview of digital bonds, including the requirement for such bonds to meet the three threshold criteria identified by SAC as essential to any legitimate digital bond:

- 1) **Integrity of Content:** The assurances that the document received is the true document executed and the content has not been changed or altered.
- 2) **Secure Access:** Restricting the access to the document to those authorized to view and/or download it.
- 3) **Verifiability / Enforceability:** Assurances that the document was duly executed by the parties identified and that it is enforceable in law.

The document cautions users to be wary of commonly used substitutes for digital bonds such as scanned images which may be expedient, but do not meet these cornerstone criteria.

“Over the past number of months, SAC has been inundated with inquiries from both owners and contractors about how to obtain a digital bond,” states Steven D. Ness, President of the Surety Association of Canada. “And although we have stated our recommendation previously and provide comprehensive information on our website regarding e-bonding and digital bonds, we felt it necessary to create this white paper to provide a printable resource for various stakeholder groups”.

Sharon Clark-Koufis, Director of Operations, Membership & Stakeholder Services states, “To assist stakeholders in becoming more informed and knowledgeable about e-bonding and digital bonds, we also launched an FAQ section on our website of some of the most common questions that we have received since the start of the pandemic as we saw an increase in the number of requests for digital bonds.”

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Mr. Ness further stated, “In addition to resources found on our website, our entire SAC team is here to help provide support and direction to owners who are shifting their processes towards the acceptance of digital/e-bonds by connecting them with an e-bonding system vendor, as well we are available to provide guidance to contractors, or others, on how to obtain a digital/e-bond by connecting them with a SAC broker member.”

The SAC *White Paper: Digital Bonds the Way of the Future – and the Present* can be accessed on the SAC website here:

https://www.suretycanada.com/SAC/Resources/SAC_White_Papers/SAC/Resources/SAC-White-Papers.aspx

Information about digital/e-bonds can be accessed on the SAC website here:

<https://www.suretycanada.com/SAC/Surety-Bonds/E-Bonding/SAC/Surety-Bonds/E-Bonding.aspx>

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About the Surety Association of Canada:

The Surety Association of Canada (SAC) is the national trade advocacy association that represents the interests of the surety industry across Canada. Its members consist of primary surety firms, surety reinsurers, surety/insurance brokers, and other organizations that provide related and complementary services to the surety industry.

While the majority of the surety industry's premium revenue is derived from construction contract bonds, SAC also represents the interests of those organizations that focus on non-contract or commercial surety. SAC does not represent or advocate on behalf of the fidelity bond industry.

Since its formation in 1992, SAC has become a trusted resource for construction purchasers, design professionals, contractors, suppliers and other stakeholders in construction and business communities. SAC has developed its own bond forms in response to industry need and in consultation with the construction industry.

SAC and its members regularly meet with owners, contractors, other associations, and related organizations to educate them about surety bonds and the suretyship process. SAC also monitors legislation across the country that will impact its members and works diligently to advance the surety cause with lawmakers and government officials.