
Comments from the CEO

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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.