

MEDIA RELEASE

Surety Association of Canada Introduces Updated Standard Bond Forms

May 11, 2021 – Mississauga, ON – The Surety Association of Canada (SAC) has announced the release of the 2021 edition of the SAC standard bond forms. This new suite of documents are available for use immediately and includes updated 2021 versions of the SAC Bid Bond, Performance Bond, and Labour & Material Payment Bond.

SAC president, Steve Ness, described the new bond forms as the new state-of-the-art in surety protection. “The 2021 bonds build on the innovations found in some of the earlier standards and introduce improvements and updates that will provide Owners and Claimants with more responsiveness and clarity.” he said.

Ness confirmed that while SAC still supports and endorses the published bond documents of the Canadian Construction Documents Committee (CCDC) as the broader industry standard, the association recognizes that the current CCDC editions are very much out-of-date, having last been updated in 2002. He suggested that new SAC standards will provide users across the country with a responsive and upgraded surety option until CCDC completes its renewal process. “We will continue to work with CCDC and other industry partners to bring about a better industry standard that reflects current conditions in the construction and surety marketplace.” he pledged.

The new SAC 2021 bond forms incorporate a number of key features that bring more certainty to the claims process and allow for more communication and collaboration between Owners and Sureties. The new Bid Bond creates more certainty by removing several ambiguous terms and concepts. The Performance and Payment bonds provide more clarity by importing and enhancing much of the language found in the new standard bond forms that have been prescribed under the *Construction Act of Ontario*.

Ness suggested that the SAC 2021 bond forms represent the most up-to-date and effective surety instruments available, but he acknowledged that the process is ever evolving. “We’ll continue to keep our ear to the ground and be ready to make the necessary changes to keep our products current and relevant.” he said.

More information about the SAC 2021 bond forms, and to access to template versions of the bonds, can be found on the SAC website at: <https://www.suretycanada.com/SAC/Surety-Bonds/Contract-Surety/SAC-Bond-Forms/SAC/Surety-Bonds/SAC-Bond-Forms.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.