



Checklist

Industry Requirements for E-Bonding Solutions

Based on Surety Association of Canada Vendor Guidelines

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The Surety Association of Canada provides this checklist as a service only, as guidance to e-bonding providers and users. The Surety Association of Canada accepts no liability that may result from its Guidelines or from partially and fully completed Checklists.

1. Developing the Bond:

M	HR	R	Requirement:	Intent of Requirement:	Meets	Meets in part	Does not meet
*			a) Assurance of clarity.	Is the format used to identify dollars or time frames clear and unquestionable as to their intended values? Has consideration been given to removing simple and obvious opportunities that enable an ease of fraudulence activity, such as a '3' being changed to an '8'. Has consideration been given to obvious clarities, such as 'Canadian' dollars versus 'U.S. dollars'?			
		*	b) Assurance of language options.	Has the consideration been given to language options (French and English) for the development of the bond and/or for the instructions of the technology?			
		*	c) Convenience to use bond templates.	Can bond templates be loaded into the application? If a change to a template has been made, can the change be easily identified and reviewed?			
*			d) Assurance of ability to change.	Can the bond be easily altered and changed to correct and adjust language prior to signature application?			
*			e) Assurance of integrity of content.	Can the bond be protected from modifications if required prior to signature?			
	*		f) Process to incorporate legal offer of bond.	Does the process workflow demonstrate the legal offer of surety to the principal? (E.g. by ensuring the surety is the first party to sign and seal the bond).			

1. Developing the Bond (continued):

M	HR	R	Requirement:	Intent of Requirement:	Meets	Meets in part	Does not meet
	*		g) Ability to add Rider to Bond.	Can a Rider be developed in the same manner the bond was developed? (For example, if the bond was developed on-line, can a rider also be developed on-line?). Is there a reference connector to attach the rider to the bond?			
	*		h) Ability to add a Co-Surety.	When two sureties are involved in the bond transaction, will requirements be met for both sureties re signature, sealing, retrieving, etc.? Is it noted which surety has the administration power to develop the bond on-line?			
	*		i) Ability to develop bonds for Canadian clients doing business in U.S.	Will Canadian sureties (brokers) have the ability to demonstrate authorization authority, such as the opportunity to load attachments, such as powers of attorney, to meet U.S. bond needs? Can reference be made to a resident surety agent re contact information?			

Comments:

2. Signing the Bond:

M	HR	R	Requirement:	Intent of Requirement:	Sureties			Principal		
					Meets	Meets in part	Does not meet	Meets	Meets in part	Does not meet
*			a) Assurance that the signature represents an actual person.	Is it discernable as to 'who' signed the bond, i.e. first and last name?	Meets	Meets in part	Does not meet	Meets	Meets in part	Does not meet
*			b) Assurance that the signature belongs to that actual person.	Does the signature belong to the person providing the electronic signature? Are checks and balances in place to prove the signature does belong to the individual identified as the signatory?	Meets	Meets in part	Does not meet	Meets	Meets in part	Does not meet
*			c) Assurance of intent.	Are there password protections and other checks and balances in place to prove the individual providing the signature on the bond did in fact intend to sign the bond?	Meets	Meets in part	Does not meet	Meets	Meets in part	Does not meet
*			d) Assurance of authority of the signatory.	Are there checks and balances in place to verify the authority of the individual to commit the surety or principal, i.e. evidence of power of authority agreements, or on-line power applications, if required?	Meets	Meets in part	Does not meet	Meets	Meets in part	Does not meet
			e) Accommodation of business practices surrounding authority.	Is it convenient for sureties or principals to continue with business rules requiring two authorized signatories, should they require it?	Meets	Meets in part	Does not meet	Meets	Meets in part	Does not meet
*			f) Assurance of integrity of content.	Can the bond be protected from any modification or fraudulent change once the bond has been signed by a party and before the party affixes their seal?	Meets	Meets in part	Does not meet	Meets	Meets in part	Does not meet

Comments:

3. Sealing the Bond:

M	HR	R	Requirement:	Intent of Requirement:	Sureties			Principal		
					Meets	Meets in part	Does not meet	Meets	Meets in part	Does not meet
*			a) Assurance of corporate seal (an identifiable corporate commitment). Note: Not required for bonds falling under legislation of the province of Quebec.	Is the application of corporate seals a separate application from the signatory application? Does the corporate seal of the surety and principal appear in some visual form on the electronic form of bond?	Meets	Meets in part	Does not meet	Meets	Meets in part	Does not meet
*			b) Assurance of corporate seal ownership.	Are there checks and balances to prove this visual assurance of corporate seal is provided by the surety (or principal) and/or its parent and/or a subsidiary? For example, does the individual authorizing the sealing application have authorization to do so on behalf of the organization?						
*			c) Assurance of intent.	Are there checks and balances in place to prove the surety was unmistakable in their intent to apply their corporate commitment indicator? Is there an unequivocal and recorded act showing that the surety intended to seal the bond? For example, "by clicking yes, you are sealing this bond".						
*			d) Assurance of integrity.	Can the bond be protected from any modification or fraudulent change once the bond has been signed and sealed?						
*			e) Assurance of verification.	Can the authenticity of the signed and sealed bond be confirmed or verified?						

Comments:

4. Delivery of the Bond:

M	HR	R	Requirement:	Intent of Requirement:	Meets	Meets in part	Does not meet
*	*		a) Assurance of connecting reference.	Will the delivered bond be assuredly connected to the rest of the tender package if required? Is there a possibility for a tender to be rejected due to a bond thought to be missing, but rather the bond could have been delivered via a different electronic avenue? Will the connecting reference create an operational inconvenience to the entity opening tenders?			
*			b) Assurance of receipt.	Is there confirmation of receipt once the bond has been delivered electronically?			
*			c) Assurance of encryption security.	Is the bond protected from fraudulent changes during the delivery process? For example, if web enabled, is an encrypted site used and can the site be verified (i.e. Https:)? If transmitting a bond with digital signatures, is a secure messaging technology being used? (i.e. 128 bit encryption).			
*			d) Authenticity warning.	Is there a signal to advise the parties of the bond if a bond does become fraudulently modified?			
*	*		e) Verification acceptance.	Is the verification process completed by a third party who is able to prove the original bond? Or, is the owner prepared to accept the provided verification mechanism?			
*			f) Assurance of responsibility.	Does the application enable the principal to maintain control of and assume ultimate responsibility for delivery of the final signed, sealed bond to the obligee?			

Comments:

5. Retrieval of Final Bond:

M	HR	R	Requirement:	Intent of Requirement:	Meets	Meets in part	Does not meet
*			a) Assurance of the existence of bond.	Does it clearly establish which version would be treated as the 'true original' bond?			
	*		b) Assurance to locate.	Does it clearly determine where this 'true original' version is stored? Is there reference to the verification process?			
*			c) Assurance of integrity of content.	Is it possible for the bond to have a printable adjustment made to the content, with or without saving the adjustment? (Answer should be no, however this cannot be guaranteed 100%). Has protection been taken to ensure the bond cannot be printable with an adjustment made after the surety has approved it?			
*			d) Assurance of verification.	Does a verification process exist to support the bond throughout the entire retention period?			
	*		e) Assurance of accessibility.	Can the bond be stored and retrieved freely by all authorized parties?			
*			f) Assurance of retention commitment.	Is the bond stored in a secure environment? Is there a commitment with regard to the length of time the bond will be stored? Does it clearly establish what the terms and commitments are for electronic retention/storage of the bond?			

Comments:

6. Overall:

M	HR	R	Requirement:	Intent of Requirement:	Meets	Meets in part	Does not meet
*			a) Assurance that all existing legal relationships are maintained.	Does the technology override any of the responsibilities that a party to a bond holds? (Answer should be no).			
*			b) Assurance that audit trails are in place.	Are clear, easy to track, and reliable audit trails in place?			
	*		c) Convenience to use with other systems and processes.	Is it easy to integrate with other systems that may be necessary to complete the e-bonding process? Are accord standards being used?			
	*		d) Assurance of authority of the surety.	Are there checks, balances and/or attempts in place to disallow unlicensed or fraudulent sureties or principals access to the application?			
*			e) Assurance to allow third party audit requests.	Will the service provider allow requests for third party audits, particularly to verify and assess the secure protection and integrity of the bond? How user friendly is the technology to conduct such an assessment?			
	*		f) Overall efficiency and ease of use.	Is the new process easy to use? Easy to access? Is it easy to obtain help during transaction?			

Comments:

E-Bonding Checklist – Quick Reference Chart

Develop	Sign	Seal	Deliver	Retrieve	Overall
<p>Assurance of clarity.</p> <p>Assurance of ability to change.</p> <p>Assurance of integrity.</p>	<p>Assurance that the signature represents an actual person.</p> <p>Assurance that the signature belongs to that actual person.</p> <p>Assurance of intent.</p> <p>Assurance of authority of the signatory.</p> <p>Assurance of integrity.</p>	<p>Assurance of corporate seal.</p> <p>Assurance of corporate seal ownership.</p> <p>Assurance of intent.</p> <p>Assurance of integrity.</p> <p>Assurance of verification.</p>	<p>Assurance of receipt.</p> <p>Assurance of encryption security.</p> <p>Authenticity warning.</p> <p>Assurance of responsibility.</p>	<p>Assurance of the existence.</p> <p>Assurance of integrity.</p> <p>Assurance of verification.</p> <p>Assurance of retention commitment.</p>	<p>Assurance that all legal relationships are maintained.</p> <p>Assurance that audit trails are in place.</p> <p>Assurance to allow third party audit requests.</p>
<i>Mandatory</i>					
<p>Process to incorporate legal offer of bond.</p> <p>Ability to add rider to bond.</p> <p>Ability to add a co-surety.</p> <p>Ability to develop bonds for Canadian clients doing business in U.S.</p>	<p>Accommodation of business practices surrounding authority.</p>		<p>Assurance of connecting reference.</p> <p>Verification acceptance.</p>	<p>Assurance to locate.</p> <p>Assurance of accessibility.</p>	<p>Convenience to use with other systems and processes.</p> <p>Assurance of authority of the surety.</p> <p>Overall efficiency and use.</p>
<i>Highly Recommended</i>					
<p>Assurance of language options.</p> <p>Convenience to use bond templates.</p>					
<i>Recommended</i>					