



The Coronavirus (COVID-19) pandemic is impacting the construction and surety industries in ways not contemplated just a few months ago. CNA Surety appreciates the challenges this creates for you and your surety customers. With that in mind, we offer some resources and ideas that your customers may consider with the advice of their own counsel and others. The entire CNA Surety team is available to serve you and your clients throughout these unprecedented times. Below are areas of concern that you may consider:

Electronic Powers of Attorney and Seals:

- We understand that executing bonds in the paper environment is very challenging or impossible at this time. CNA Surety has the ability to provide our surety producers with electronic powers of attorney. Also, if you do not have sufficient seal embossers, we will also arrange to provide you access to digital seals. If this service is needed by your offices, please contact your CNA Surety branch manager and we will promptly arrange through our Agency Services department.

Existing Contracts:

- **Contract terms.** Contracts may or may not have specific terms related to pandemics; however our customers should familiarize themselves of their broader rights, remedies and obligations throughout the contract. Provisions such as Delays, Force Majeure, Changes (including changes to Contract time and the Contract price), Claims, Owner Funding, Securing and Protecting Work, and Work Stoppages, Suspension and Termination may provide direction and relief.
- **Notice.** Contractors likely are required to send written notice to Owners and others in order preserve their rights, remedies and potential claims. CNA Surety recommends that contractors work with their counsel and others to assure that they timely provide any notices that may be required under the contract, and that the notice include as much information as is reasonably known at the time of the notice.
- **Documentation.** Our customer's documentation of their delays, interruptions, impacts (including labor and material impacts) and costs will help them later when it is time to "prove up" any claims down the road.

Future Contracts:

- CNA Surety customers, in consultation with their counsel, may wish to consider modifying contracts currently being negotiated to address possible impacts of pandemics, supply chain disruptions and government action. Again, provisions such as Delays, Force Majeure, Changes (including changes to Contract time and the Contract price), Changes in Law, Claims, Owner Funding, Securing and Protecting Work, and Work Stoppages, Suspension and Termination may provide opportunities for appropriately protecting our customers in their future contracts.

More than ever, CNA Surety encourages our customers to consult with their attorneys for guidance. Please let us know how CNA Surety may help you and our surety customers respond to these challenges, and thank you for being a valuable part of our success.