



Checklist
Industry Requirements for E-Bonding Solutions
Based on Surety Association of Canada Vendor Guidelines
Version: October 19, 2009

Technology Assessed: *Trisura Guarantee Insurance Company E-Bond Platform*
Assessment date: *October 2017*

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

Overall Observations and Comments:

Since SAC started discussions about changing technology and its impact with its members and the construction industry about a decade ago, e-bonding has become more common and many obligees have moved to full e-tendering systems. Obligees are encouraged to read [SAC's Position Paper 021 – Tendering and Surety Bonds in a Digital World](#) and visit the [SAC website for additional information](#) about e-bonding.

Trisura Guarantee Insurance Company is SAC's first primary surety member firm to develop its own e-bonding system since SAC developed its industry checklist in 2009.

Trisura's e-bond platform is part of its own web-based platform for brokers. The e-bond "module" can only be accessed by brokers who have power of attorney with Trisura. Once logged into the module, the broker creates the bond and/or the consent of surety for the contractor.

It should be noted that contractors do not login to the e-bond module. A contractor receives a notification by email that the bond is ready for their signature (the broker has already applied the contractor's digital seal through the e-bonding platform). At the same time the email is sent, the contractor receives a text message with a verification code. When the contractor clicks on the link in the email, they must have the verification code in order to access the bond. The contractor reviews the bond and signs it electronically. Once the contractor's signature has been applied, the contractor receives a PDF version of the executed bond (and/or the consent of surety if that was also requested). The PDF document(s) can then be attached to the electronic bid submission.

Owners/obligees that wish to verify a Trisura e-bond must save the PDF they have received and then go to <https://secure.trisura.com/bondcheck>. Owners/obligees upload the e-bond and click "verify bond". This system compares the owner/obligee version with the original that was created in the Trisura broker e-bond module.

Owners/obligees can also verify by clicking on the e-signatures within the PDF. However, Trisura has identified in its testing that depending on a user's version of Adobe, the user may receive messages that call into question the e-bond's validity and authenticity. As such, Trisura recommends using its Bondcheck website to verify an e-bond's validity and authenticity.

Trisura's e-bond platform uses eSignLive as the service provider to administer the e-Signature process. [eSignLive](#) is an electronic signature solution that enables documents to be security signed electronically on any device. The platform is used by many banks and insurance companies in North America.

Trisura has confirmed that the system does not violate PIPEDA.

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).	✓		

Notes:

Trisura's e-bond platform does not include bond templates. Bond and/or the consent of surety documents are developed or created outside the Trisura e-bonding platform and then uploaded for signing and sealing. As such, changes cannot be made once in the system. Because of this Trisura received a "does not meet" in 1c) since a change to a bond template like CCDC would not be easily identifiable or tracked in the system. Because the bond is developed outside the system, any wording or template document can be used and then uploaded.

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?	✓		

Notes:

Since Trisura's system is part of its on-line platform for brokers, there is no way to add a co-surety since it will not have access to the other surety's digital seal.

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?	✓			✓		
*			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?	✓			✓		
*			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?	✓			✓		
*			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 POA applications, if required?	✓			✓		
	*		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?	✓			✓		
*			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?	✓			✓		

Notes:

While the principal does not “enter” the signing room, there is two-layer security feature to ensure the principal is the “correct” individual. The principal receives an email with a link to the bond, but they cannot access the bond unless they have a verification code which arrives via text message. Trisura realized that other individuals may have access to a principal’s email and added the security of a verification code arriving by text message. Only when the verification code is entered can the bond be viewed. The principal views a bond with a signature and seal of the surety and the seal of the principal. Once “approved” the principal’s signature is affixed and the final document is then emailed to the principal in PDF format.

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?	✓			✓		
*			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?	✓			✓		

Notes:

As previously noted, the broker applies the principal's seal to the bond.

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?	N/A		
*			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?	✓		

Notes:

The Trisura system delivers the bond (and/or consent of surety) to the principal by email. The principal must upload the document(s) when completing the tender package.

Verification is provided by eSignLive.

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 can be stored and retrieved freely by all authorized parties of the bond?	✓		
*			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?	✓		

Notes:

The e-bond can be stored and retrieved freely by all parties. eSignLive's cloud solution is hosted on both the Amazon Web Services and IBM SoftLayer cloud infrastructure. All information is stored in encrypted format and is only accessible to transaction participants.

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?	N/A		
	*		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?	✓		

Notes:

As noted earlier in this assessment, Trisura's e-Bond platform was an additional "module" to Trisura's on-line portal for brokers. Documents are uploaded to the system for signing and sealing – no other systems are required to create the bond(s) and/or consent of surety. Executed documents are emailed to the principal. It is the principal's responsibility to deliver the executed documents. As such, there is no need for integration into other systems. The Trisura system will not allow for a co-surety to be added – see page 4.

E-Bonding Industry Requirements Checklist – Quick Reference Chart

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

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