

Supporting Statement

OMB No. 1530-0009

“States Where Licensed for Surety”

A. Justifications.

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

This form provides a listing of states in which the insurance company is licensed to transact surety business. Treasury Circular 297, “Regulations Governing Surety Companies Doing Business With The United States” (31 CFR Part 223.5(b)) states that “No bond is acceptable if it has been executed...by a company or its agent in a State where it has not obtained that State’s license to do surety business.” In order to provide Federal bond approving officers with this information, the Surety Bond Branch (SBB) requests this information from its Certified companies. The listing of states, by company, appears in Treasury’s Circular 570, “Companies Holding Certificates Of Authority As Acceptable Sureties On Federal Bonds And As Acceptable Reinsuring Companies.” (www.fiscal.treasury.gov/fsreports/ref/suretyBnd/c570.htm)

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

As indicated above, Federal bond approving officers have a need for the information provided. The SBB staff compiles the information and confirms that its presentation in the Circular 570 is correct to the best of our knowledge based upon available data.

Treasury’s licensing requirements, as specified at 31 CFR Part 223.5 are:

- A company must be licensed in a State where it has executed a bond;
- A company need not be licensed in a State where the contract is to be performed;
and
- A company need not be licensed in a State where the principal resides.

Before a Federal bond approving officer accepts a bond underwritten by a specific surety, that officer must be assured that all of the licensing requirements have been met. By referencing the listing in the Circular 570, the officer is provided the assurance that the licensing criteria required for proper bond approval have been met. Without this information, an approving officer would be accepting bonds without adequate assurance that licensing criteria have been met.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

The SBB provides Certified companies with a copy of its license sheet (FS Form 2208) based upon its prior year submission. Companies simply need to review this license sheet, manually mark any changes to the States in which they are licensed to write surety, and submit the revised version to the SBB. Should a Certified company need a blank copy of the license sheet, they simply need to access the SBB website at https://www.fiscal.treasury.gov/fsreports/ref/suretyBnd/surety_home.htm.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

No information is accumulated elsewhere in the Federal Government. Hence, no duplication of effort occurs.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

The burden is minimized through the use of a standard form to be submitted once a year. We have adjusted the submission date for this form so that the companies may submit the data with their annual financial statement filing to the SBB. A separate filing is therefore avoided.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Collection occurs once a year so that current information is available to Federal bond approving officers via Circular 570. The submission is required annually because the companies listed in the Circular 570 are renewed once a year. It is desirable to have current information for the Circular's annual printing. Companies' licenses in States may change yearly; some States may not renew or may place restrictions, or some companies may voluntarily withdraw from specific States. Federal bond approving officers must be apprised of these changes. Further, the SBB makes changes to the Circular 570 on its website as they occur during the course of the year. Federal bond approving officers may receive notification of these changes by subscribing to the SBB e-mail notification feature on the website.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner: *requiring respondents to report information to the agency more often than quarterly; *requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; requiring respondents to submit more than an original and two copies of any document; etc.

There are no special circumstances that would cause information collected to be conducted in a manner:

- requiring respondents to report information to the agency more often than quarterly;
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, pre-tax records for more than three years;
- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- requiring the use of statistical data classification that has not been reviewed and approved by OMB;
- that includes a pledge of confidentiality that is not supported by the authority established in the statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

The Bureau's notice was published in the Federal Register on July 17, 2015, page 42611. No comments were received.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

There are no payments or gifts made to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Aside from protections contained in the Privacy Act, there is no guarantee of confidentiality.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

No such information of a sensitive nature is required. The Bureau of the Fiscal Service conducts a Privacy Impact Assessment (PIA) on information systems collecting personally identifiable information from the public. We do PIAs to ensure that:

- we tell the public the information that we collect about them,
- we adequately address impacts these systems have on personal privacy,
- we collect only enough personal information to administer our programs, and no more

Also, PIAs confirm that we use the information for the purpose intended; that the information remains timely and accurate; that it is protected while we have it, and we hold it only for as long as we need it.

The PIA for the Surety Information Management System is available at https://www.fiscal.treasury.gov/fsreports/rpt/fspia/SIMS_IV_pia.pdf

12. Provide estimates of the hour burden of the collection of information. The statement should: *indicate the number of respondents, frequency of response, annual hour burden; and an explanation of how the burden was estimated.

Number of Respondents:	262 currently expected
Frequency of Response:	Annually
Annual Burden Hours:	Information required is easily obtainable by companies, therefore SBB estimates 1.0 hour needed annually,

per

respondent, for a total of 262 annual burden hours.

13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

The costs to respondents to process the information should be nominal, assuming the information is computer generated, the time to process would be minimal. The information requested is already maintained by the companies as a result of State Insurance Department requirements. Based on an average time burden of 1.0 hour per respondent, the estimated costs to process and mail the information should be about \$25.00 per hour. Therefore, a reasonable estimate for all 262 respondents would be approximately \$6550 (262 respondents X 1.0 hour/respondent X \$25.00/hour).

14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

All printing, mailing and processing occurs at the Surety Bond Branch and related costs are not material. The results are published annually in Treasury's Circular 570. Thereafter, the Circular is updated on SBB's website, as changes occur. A staff level auditor could process each state license sheet submitted within 15 minutes per respondent. Total estimated annual cost to the Government would be \$3,167 (1/4 hour X 262 respondents X \$48.35/hour).

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

No changes or adjustments are reported

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

No complex analytical techniques are used in collecting this information. Respondents receive a request for the information in mid-January each year. The information is included in Treasury's Circular 570, which is published in the Federal Register every July 1st and maintained and updated thereafter on the SBB website.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The public interest will be better served by not displaying an expiration date on Form FS Form 2208. The time period during which the current edition of the form will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. Displaying the expiration date would make it necessary to update the electronic form and website where it is accessed after each renewal. Additionally, not displaying the expiration date on the form will avoid confusion among members of the public who may have identical forms with different expiration dates in their possession. By not displaying the expiration date, supplies of the form could continue to be used regardless of when the OMB approval has expired. This would reduce costs incurred through additional printing and desktop publishing.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

No exceptions have been made to the certification statement (Item 19, OMB Form 83-I).

B. Collections of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on the Form OMB 83-I is checked, “Yes,” the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed:

The information collected was not accomplished using statistical methods. The result of the collection of this information is not for statistical use.