

04 NCAC 03M .0206 SURETY BOND

(a) All licensees with surety bonds under G.S. 53-244.103 shall ensure that full amount of the surety bond is in effect at all times. Failure to maintain the surety bond at the level required in G.S. 53-244.103 is grounds for immediate suspension of licensure.

(b) All licensees with surety bonds under G.S. 53-244.103 shall report any claims made against the surety bond to the Commissioner within 10 business days upon receipt of notice of any claim.

(c) All surety bonds under G.S. 53-244.103 shall:

- (1) require the bonding company to report all claims and any claims paid on the bond to the Commissioner within 10 days of such claim or payment;
- (2) require the bonding company to pay within 30 days any amount that the Commissioner orders the bonding company to pay upon a determination by the Commissioner that the licensee has failed to faithfully perform the licensee's obligations; and
- (3) remain in effect for a minimum of five years after lapse or termination of the bond in order to satisfy possible claims for failure to faithfully fulfill obligations during the term of the bond.

*History Note: Authority G.S. 53-103; 53-244.118;
Eff. April 1, 2008;
Amended Eff. May 1, 2010;
Readopted Eff. August 1, 2018.*