

**7083.1000 BONDING AND INSURANCE FOR SSTS LICENSED BUSINESSES;
LIABILITY.**

Subpart 1. Bond and insurance requirements.

A. To be eligible for SSTS licensing, a business must have a minimum of \$100,000 of general liability insurance. The minimal amount is not increased for businesses with multiple licenses. The insurance must be written by a business licensed to provide insurance in Minnesota.

B. To be eligible for SSTS licensing, proof of general liability insurance must be evidenced by a certificate of insurance form that shows the minimum coverage that will be in effect for at least the term of the license. The licensee is responsible for providing written notice to the commissioner within 30 days of cancellation or change in liability insurance. If the insurance is canceled or the amount of coverage is reduced to less than the amounts in item A, the license immediately and automatically becomes invalid and the business must not perform SSTS work until the business obtains insurance meeting the requirements of this part and submits notification of insurance coverage to the commissioner.

C. To be eligible for SSTS licensing, a business must hold a corporate surety bond of at least \$25,000.

D. The corporate surety bond must be written by a corporate surety licensed to do business in Minnesota.

E. The corporate surety bond must be submitted to the commissioner on the bond form provided by the commissioner, and must name the applicant as the principal.

F. The corporate surety bond must be signed by an official of the business who is legally authorized to represent the business and must list a contact if a claim is to be filed.

G. The corporate surety bond must cover work to be done under all SSTS licenses to be held by the business and must be for the benefit of persons injured or suffering financial loss by reason of failure to comply with the Minnesota Plumbing Code and Minnesota Statutes, sections 115.55 and 115.56.

Subp. 2. Bond use.

A. The corporate surety bond must be conditioned on the principal faithfully performing the duties and complying with all laws, ordinances, and rules pertaining to the SSTS license applied for and all contracts entered into.

B. A person suffering a loss from the principal failing to act according to item A is allowed to petition the corporate surety to seek and be granted a partial or full payment of the bond.

Subp. 3. **Term of bond.** The term of the corporate surety bond must be continuous with the term of the license or, in the case of a plumbing bond provided according to Minnesota Statutes, section 326B.46, subdivision 2, concurrent with the term of the plumbing license. The penal sum of the bond is cumulative and must be aggregated every two years that the bond is in force. The aggregate liability is limited to the bond penalty shown on the bond form for each two-year period the bond remains in effect for any losses that occur during each two-year period.

Subp. 4. **Notification of bond actions.** The corporate surety must provide written notice to the commissioner within 30 days of cancellation or 15 days of reduction of a licensee's bond. If a corporate surety bond is canceled or the amount of coverage is reduced to less than the amounts in subpart 1, item C, the license immediately and automatically becomes invalid and the business must not perform SSTS work until the business obtains another corporate surety bond meeting the requirements of this part and submits notification of renewed bond coverage to the commissioner. The corporate surety must notify the principal and commissioner of any claims pending against the bond within 15 days of the receipt of the claim and notify the principal and commissioner of any payments made against the bond within 15 days of payment.

Subp. 5. **Other professional assistance.** An SSTS business that seeks, accepts, and implements work products developed by a noncertified individual is responsible and liable for the related performance of the system.

Statutory Authority: *MS s 14.389; 115.03; 115.55; 115.56; L 2015 1sp4 art 4 s 132; art 4 s 145*

History: *32 SR 1420; 35 SR 1353; 40 SR 689*

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