

**326B.56 BONDING AND INSURANCE.**

Subdivision 1. **Bonds.** (a) As a condition of licensing, each water conditioning contractor shall give and maintain a bond to the state as described in paragraph (b). No applicant for a water conditioning contractor or installer license who maintains the bond under paragraph (b) shall be otherwise required to meet the bond requirements of any political subdivision.

(b) Each bond given to the state under this subdivision shall be in the total sum of \$3,000 conditioned upon the faithful and lawful performance of all water conditioning installation or servicing done within the state. The bond shall be for the benefit of persons suffering injuries or damages due to the work. The bond shall be filed with the commissioner and shall be written by a corporate surety licensed to do business in this state. The bond must remain in effect at all times while the application is pending and while the license is in effect.

Subd. 2. **Insurance.** (a) As a condition of licensing, each water conditioning contractor shall have and maintain in effect the insurance described in paragraph (b). No applicant for a water conditioning contractor license who maintains the insurance described in paragraph (b) shall be otherwise required to meet the insurance requirements of any political subdivision.

(b) The insurance shall provide coverage, including products liability coverage, for all damages in connection with licensed work for which the licensee is liable, with personal damage limits of at least \$50,000 per person and \$100,000 per occurrence and property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in this state and a certificate evidencing the insurance shall be filed with the commissioner. The insurance must remain in effect at all times while the application is pending and while the license is in effect. In the event of a policy cancellation, the insurer shall send written notice to the commissioner at the same time that a cancellation request is received from or a notice is sent to the insured.

Subd. 3. **Bond and insurance exemption.** A water conditioning contractor or installer who is an employee of a water conditioning contractor or installer, including an employee engaged in the maintenance and repair of water conditioning equipment, apparatus, or facilities owned, leased and operated, or maintained by the employer, is not required to meet the bond and insurance requirements of subdivisions 1 and 2 or of any political subdivision.

*[See Note.]*

Subd. 4. **Fee.** (a) The commissioner shall collect a \$40 bond registration fee for one year or \$80 for two years from each applicant for issuance or renewal of a water conditioning contractor or installer license who elects to proceed under subdivisions 1 and 2.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the bond registration from one year to two years so that the expiration of bond registration corresponds with the expiration of the license issued under section 326B.55.

*[See Note.]*

**History:** 1980 c 614 s 134; 1986 c 444; 2007 c 140 art 7 s 5,13; art 13 s 4; 2009 c 78 art 5 s 18; 2010 c 347 art 3 s 40; 2010 c 384 s 89

**NOTE:** The amendment to this section by Laws 2010, chapter 347, article 3, section 40, is effective January 1, 2012. Laws 2010, chapter 347, article 3, section 76, as amended by Laws 2010, chapter 385, section 6.

**NOTE:** Subdivisions 3 and 4 are repealed by Laws 2010, chapter 347, article 3, section 75, effective January 1, 2012. Laws 2010, chapter 347, article 3, section 75, the effective date.