

326B.0921 BOND REQUIREMENTS.

(a) All bonds that are required by this chapter must be in the form of a corporate surety bond conditioned upon the faithful and lawful performance of all work contracted for or performed in the state of Minnesota. The bond must be for the benefit of any person injured or suffering financial loss by reason of the licensee's failure to comply with the requirements of this chapter, the State Building Code, and all contracts entered into.

(b) The licensee must file the bond with the commissioner on the bond form provided by the commissioner. The bond must be in lieu of all other license bonds to any other political subdivision. The bond must be written by a corporate surety licensed to do business in the state of Minnesota.

(c) The penal sum of the bond is cumulative and must be aggregated every two years that the bond is in force. The aggregate liability shall be limited to the bond penalty shown on the bond form for each two-year period that the bond remains in effect for any losses that occur during each two-year period. The bond shall be effective continuously from the date of issue but may be canceled as to future liability by the surety upon 30 days' written notice mailed to the commissioner by certified mail. In the event the surety pays a claim that reduces the penal sum of the bond, the surety must notify the commissioner in writing of the payment of the claim and the reduced penal sum of the bond within 15 days of the payment of the claim.

(d) A licensee that is required to maintain a bond as a condition of licensure must ensure that it has a valid bond filed with the commissioner at all times that its license is active and that the required penal sum of the bond is maintained at all times.

History: 2015 c 54 art 1 s 3