

§2020. Producer's surety bond

1. Every applicant for a surplus lines producer's authority shall file with the superintendent evidence of a bond in favor of the State executed by an authorized surety insurer. The bond is conditioned upon full accounting and due payment to the person entitled to the bond of funds coming into the surplus lines producer's possession through insurance transactions under the license. The bond may be continuous in force and aggregate liability on the bond is limited to payment of not less than \$20,000.

[PL 1997, c. 592, §65 (AMD).]

2. The bond must remain in force until released by the superintendent or until canceled by the surety. Without prejudice to liability previously incurred, the surety may cancel the bond upon 30 days' advance written notice to both the producer and the superintendent. Upon notice to the superintendent of cancellation by the surety and failure of the surplus lines producer to procure a satisfactory replacement bond prior to cancellation, the surplus lines producer's authority terminates.

[PL 1997, c. 592, §65 (AMD).]

SECTION HISTORY

PL 1993, c. 153, §17 (NEW). PL 1995, c. 329, §31 (AMD). PL 1997, c. 592, §65 (AMD).

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