

HB 935 -- BONDING REVIEW BOARD

SPONSOR: Green

This bill establishes the Bonding Review Board within the Department of Insurance, Financial Institutions and Professional Registration consisting of one member appointed by the Governor upon the advice and consent of the Senate, two members appointed by the President Pro Tem of the Senate, and two members appointed by the Speaker of the House of Representatives. The board must establish criteria and procedures to create credit ratings for any individual, partnership, or corporation that markets or provides individual sureties for the satisfaction of bonding requirements and assign the credit ratings; establish procedures to register with the board as a provider of individual sureties and accept the registrations; conduct, at the request of a petitioner, investigations into an individual surety provider's financial solvency; and submit an annual report by January 1 to the Governor and the General Assembly detailing specified information regarding surety providers. Any party to a contract involving the use of an individual surety may petition the board for an investigation into the reliability of the surety.

The bill specifies that in the event of a default by the principal, the guarantor of an individual surety must disburse the appropriate funds no later than 15 business days from the time of the default.