

75-7b11. Surety bond, liability insurance or deposit with treasurer; requirements. (a) Except as provided in subsection (b), no license shall be issued under this act unless the applicant: (1) Files with the attorney general a corporate surety bond executed by a company authorized to do business in this state in an amount of \$100,000 or more; (2) files with the attorney general a certificate of insurance showing that the applicant has general liability insurance providing coverage in an amount of \$100,000 or more for bodily injury or property damage caused by negligence and errors or omissions; or (3) deposits \$100,000 or more in cash with the state treasurer. The bond or return of the deposit shall be conditioned on the faithful and honest conduct of business by the applicant.

(b) No applicant who is or will be employed by a licensee to engage in the business of the licensee shall be required to obtain the bond or certificate of insurance or make the deposit provided for by this section.

(c) The attorney general shall approve each bond filed under this section as to form, execution and sufficiency of the sureties. Such bond shall be taken in the name of the people of this state and may be continuing in nature. The attorney general shall approve any certificate of insurance filed under this section as to form, execution and sufficiency of coverage evidenced thereby.

(d) Any person injured by any unlawful act of an applicant or an applicant's employees or agents, whether licensed or not, may bring an action on the applicant's bond or deposit in such person's own name to recover damages suffered by reason of such unlawful act.

History: L. 1972, ch. 315, § 11; L. 1981, ch. 326, § 9; L. 1998, ch. 183, § 9; July 1.