

701—1000.16(123) Surety bond requirements. Each surety bond must meet the following conditions:

1000.16(1) *Certificate of authority.* The surety bond is issued by a company holding a current certificate of authority from the commissioner of insurance authorizing the company to issue bonds in Iowa.

1000.16(2) *Forfeiture of bond.* The surety bond contains a provision for the principal and surety to consent to the forfeiture of the principal sum of the bond in the event of revocation of the license or permit by the violation of any Iowa Code provision that requires forfeiture of the bond.

1000.16(3) *Cancellation.* A surety company or a principal may cancel a bond by giving the department a 30-day written notice of intent to cancel the bond. The 30-day period begins on the date that the department receives the notice of cancellation.

a. The party seeking to cancel a bond must submit written notice of such cancellation to the department and submit a copy of the notice of cancellation to the other party.

b. The notice of cancellation must contain the following:

- (1) The name of the party to whom the copy of the notice of cancellation was submitted.
- (2) The date on which the notice of cancellation was submitted.
- (3) The date the bond is being canceled.
- (4) The surety bond number.
- (5) The affected licensee's or permittee's license or permit number.

1000.16(4) *Proof of bond.* A licensee or permittee is considered to have furnished a surety bond when the licensee or permittee has:

a. Filed with the department a form prescribed by the department containing the following:

- (1) The name of the bond provider,
- (2) The city and state where the bond provider is located,
- (3) The bond number, the names of the principal, and the city and state where the principal is located,
- (4) The amount of the bond,
- (5) The type of license or permit guaranteed by the bond,
- (6) The effective date of the bond,
- (7) Signatures of the principal and the bond provider, and
- (8) Any other information the director of the department may require; or

b. Met this requirement by any other method deemed acceptable by the director of the department.

This rule is intended to implement Iowa Code sections 123.30, 123.50, 123.127, and 123.175.

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