

RULE XXIV-A

Approval of Bond Forms

Legal Authority: Section 11.110

Section 1(A) The following bond forms shall be filed with the Commissioner for his consideration and approval before they may be used:

- (a) Performance Bonds
- (b) Payment of Labor and Material Bonds
- (c) Bonds required in judicial proceedings of a criminal nature.

B. Every bond form, subject to the provisions of this Rule, shall contain the following conditions, stipulations, or agreements:

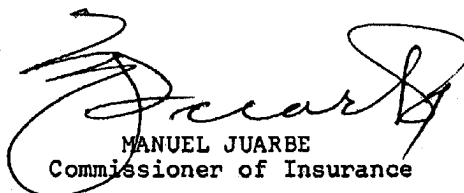
1. A period not less than one year since the date in which the cause of action arose to establish a claim against the insurer.
2. A clause clearly indicating if the bond is subject to cancellation or not.
3. A clause clearly indicating the duration of the protection offered.

C. It is provided, however, that regarding those bond forms included in paragraph (A) for which, because of the nature of the risks, the standard bond forms cannot be used by the rating organization having jurisdiction or the insurer making its own filings, bond forms may be used without the Commissioner's previous approval if they contain the conditions, stipulations or agreements set forth in paragraph (B) of this Rule.

D. The provisions of paragraphs (A), (B) and (C) shall not be applicable to bond forms required by law, executive decree or by decree, rule or regulation of a public organization.

Section 2. This amendment shall enter into effect five days after notice of its approval has been published once a week for two consecutive weeks in a newspaper of general circulation.

October 8, 1975.

  
MANUEL JUARBE  
Commissioner of Insurance