

§ 58-33A-50. Bond or letter of credit.

(a) Before issuance of a license as a public adjuster and for the duration of the license, the applicant shall secure evidence of financial responsibility in a format prescribed by the Commissioner through any of the following instruments:

- (1) A bond executed and issued by an insurer authorized to issue bonds in this State which meets all of the following requirements:
 - a. It shall be in the minimum amount of twenty thousand dollars (\$20,000).
 - b. It shall be in favor of this State and shall specifically authorize recovery by the Commissioner on behalf of any person in this State who sustained damages as the result of erroneous acts, failure to act, conviction of fraud, or conviction of unfair practices in his or her capacity as a public adjuster.
 - c. It shall not be terminated unless at least 30 days' prior written notice will have been filed with the Commissioner and given to the licensee.
- (2) An irrevocable letter of credit issued by a qualified financial institution, which meets all of the following requirements:
 - a. It shall be in the minimum amount of twenty thousand dollars (\$20,000).
 - b. It shall be to an account to the Commissioner and subject to lawful levy of execution on behalf of any person to whom the public adjuster has been found to be legally liable as the result of erroneous acts, failure to act, fraudulent acts, or unfair practices in his or her capacity as a public adjuster.
 - c. It shall not be terminated unless at least 30 days' prior written notice will have been filed with the Commissioner and given to the licensee.

(b) The issuer of the evidence of financial responsibility shall notify the Commissioner upon termination of the bond or letter of credit, unless otherwise directed by the Commissioner.

(c) The Commissioner may ask for the evidence of financial responsibility at any time he or she deems relevant.

(d) The authority to act as a public adjuster shall automatically terminate if the evidence of financial responsibility terminates or becomes impaired. (2009-565, s. 1.)