Asa Hutchinson
Governor

Daryl Bassett
Secretary

Arkansas Contractors Licensing Board
4100 Richards Road
North Little Rock, AR 72117
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ARKANSAS SURETY BOND IN LIEU OF FINANCIAL STATEMENT

Bond Information for Surety Companies – Ark. Code Ann § 17-25-304(c) (Effective date: July 1, 2020)

(A) In lieu of providing a financial statement showing a minimum net worth for a licensee as required by Ark. Code Ann. § 17-25-304, an applicant may provide a surety bond from a Surety authorized to transact business in the State of Arkansas an amount of ten times the required net worth for the applicant's classification. Only an Arkansas Resident or an Arkansas Non-Resident agency, agent, broker or producer that is currently licensed by the Arkansas Insurance Department can execute this surety bond. The required bond amounts are as follows:

HEAVY	**$500,000**
HIGHWAY, RAILROAD, AIRPORT	**$500,000**
MUNICIPAL & UTILITY	**$500,000**
BUILDING	**$500,000**
LIGHT BUILDING	**$200,000**
MECHANICAL	**$200,000**
ELECTRICAL	**$200,000**
SPECIALTY	**$50,000**

(B) The above surety bond must:

(1) Be continuous in form and must be maintained in effect for as long as the applicant maintains the license issued by the Contractors Licensing Board or until the applicant submits a financial statement showing that it meets the financial statement requirements for the classification held by the contractor;

(2) List the State of Arkansas as obligee for the bond;

(3) Be for the benefit of any person who is damaged by an act or omission of the applicant constituting a breach of construction contract or a contract for the furnishing of labor, materials, or professional services for construction undertaken by the applicant, or by any unlawful act or omission of the applicant in performing construction; and

(4) Be in addition to, and not in lieu of, any other surety bond required of the applicant by law or regulation, or by any party to a contract with the applicant;

(5) Provide for bond cancellation by the Surety Company only by notification to the Board and the Principal at least Sixty (60) days prior to cancellation.

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ARKANSAS SURETY BOND
IN LIEU OF FINANCIAL STATEMENT

BOND NUMBER: _____
EFFECTIVE DATE: _____ (Continuous Until Cancelled)

NOW, therefore, we, the undersigned, _____, as Principal, and _____, as Surety, a Surety Company authorized to do business in Arkansas, its successors, assigns, and legal representatives are held firmly bound to the State of Arkansas, the Arkansas Contractors Licensing Board and any person or business sustaining damage within the terms of this bond for payment, in the Sum of _____ Dollars (_____). We bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. This bond is in lieu of providing a financial statement as required in Ark. Code Ann. § 17-25-304.

WHEREAS, the above bonded Principal has applied to the Arkansas Contractors Licensing Board pursuant to Ark. Code Ann § 17-25-101 et seq., as amended;

WHEREAS, the above bonded Principal has chosen to provide this Surety Bond in lieu of providing a financial statement, pursuant to Ark. Code Ann. § 17-25-304(c);

NOW, THEREFORE, if the Principal, in compliance with Ark. Code Ann. § 17-25-101 et. seq., does not engage in an act or omission constituting a breach of construction contract or a contract for the furnishing of labor, materials, or professional services for construction undertaken by the Principal, or does not commit any unlawful act or omission in performing construction, then this obligation shall be void; otherwise it is to remain in full force and effect.

This bond is in full force and effect as to the above statutory, regulatory and procedural obligations of the Principal from the effective date until canceled as set out herein; the Surety shall have the right to cancel this bond at any time by filing written notice with the Arkansas Contractor's Licensing Board and the Principal of its intention to so cancel, giving at least sixty (60) days' notice prior to the effective date of the cancellation. This provision, however, shall not operate to relieve, release or discharge the Surety from any liability already accrued or which shall accrue before the expiration of the sixty (60) day period. Regardless of the number of years this bond may remain in force or the number of claims against this bond, the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed the sum of _____ dollars (_____)

The Surety shall provide the Board with written notice of any payment made in good faith under the Bond within thirty (30) days of such payment. No right of action shall accrue upon or by reason of this bond to or for the use or benefit of anyone whatsoever other than the Board or any person sustaining loss or damage within the terms of this bond for payment.

Equal Opportunity Employer

Witness our hands and seal this _____ day of _____, _____.

Name and Address of Surety Company (Print)

_____

_____

_____

_____

Phone Number of Surety

By: _____

Signature of Surety (Attorney-in-Fact)

Name and Address of Principal (Print)

_____

_____

_____

_____

Phone Number of Principal

_____

Principal's Federal ID#

By: _____

Signature of Principal

Name, Address and Phone number of
Agent/Broker/Producer

_____

_____

_____

AR License #: _____

Power of Attorney (attach document)
Arkansas Insurance License (attach document)

Once all information is complete, and signed by all parties, Send to Arkansas Contractors Licensing Board, 4100 Richards Road, North Little Rock, AR, 72117.

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