



South Carolina Department of Labor, Licensing and Regulation

South Carolina Contractor's Licensing Board

110 Centerview Dr. • Columbia • SC • 29210

P.O. Box 11329 • Columbia • SC • 29211

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GENERAL CONTRACTORS

Surety Bond Information for Surety Companies – South Carolina Code Section 40-11-262

(Effective date: May 18, 2018)

(A) In lieu of providing a financial statement showing a minimum net worth for a license group as required by Section 40-11-260, an applicant may provide a surety bond from a surety authorized to transact surety business in this State in an amount of two times the required net worth for the applicant's license group with his initial or renewal application. The required bond amounts are in parenthesis:

- Group 1 General Contractor (\$20,000)
- Group 2 General Contractor (\$80,000)
- Group 3 General Contractor (\$200,000)
- Group 4 General Contractor (\$350,000)
- Group 5 General Contractor (\$500,000)

(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 department or until the applicant submits a financial statement showing that he meets the net worth requirements for his license group as provided in Section 40-11-260;
- (2) list the State of South Carolina 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 applicant thirty days prior to cancellation.



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SURETY BOND FOR GENERAL CONTRACTORS

BOND NUMBER: _____

KNOW ALL MEN BY THESE PRESENTS that we

_____, as Principal and

_____, a Surety Company

authorized to do business in the State of South Carolina, as Surety, its successors, assigns, and legal representatives are held and firmly bound unto the South Carolina Contractor's Licensing Board, State of South Carolina and any person or business sustaining damage within the terms of this bond for payment, as Obligee in the sum of _____ Thousand Dollars (\$_____,000.00) lawful money of the United States of America per License Term. 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 showing a minimum net worth as required in S.C. Code Ann. §40-11-260.

WHEREAS, the above bonded Principal has applied to the South Carolina Contractor's Licensing Board pursuant to Section 40-11-10 *et seq.* of the 1976 Code of Laws of South Carolina, as amended (the Act), to be granted an authorization to engage in the following construction groups with the following bond amounts:

- Group 1 General Contractor (\$20,000)
- Group 2 General Contractor (\$80,000)
- Group 3 General Contractor (\$200,000)
- Group 4 General Contractor (\$350,000)
- Group 5 General Contractor (\$500,000)

WHEREAS, the above bonded Principal is required in Section 40-11-262 of the Act to furnish the Board with a good and sufficient surety as one method of complying with one of the conditions upon which the authorization is granted.

NOW, THEREFORE, if the Principal, in compliance with 40-11-262, 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 _____ through _____ unless renewed by continuation certificate; however, the Surety or the Principal shall have the right to cancel this bond at any time by filing written notice with the South Carolina Contractor's Licensing Board and the applicable party of its intention to so cancel, giving at least thirty (30) 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 thirty (30) 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 _____ Thousand Dollars (\$_____,000.00) for any License Term. Each License Term is a twenty-four month period beginning on November 1 and ending on October 31.

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.

Witness our hands and seal this _____ day of _____, 20 _____ .

Name and Address of Surety Company (Print)

Name and Address of Principal (Print)

By: _____
Signature of Surety (Attorney-in-Fact)

By: _____
Signature of Principal

Power of Attorney (attach document)

To report a claim with regard to this bond, submit a claim on the form approved by the Board to the claim address below:

(Print) _____

