



## Ohio Administrative Code Rule 122:15-1-04 Bond servicing.

Effective: April 7, 2014

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(A) The surety shall monitor the principal's progress on bonded contracts guaranteed by the development services agency in a reasonable manner determined by the surety, which may include job status reports from obligees of final bonds guaranteed by the development services agency. The surety must maintain documentation of its monitoring and provide such documentation upon the request of the development services agency. In the event obligees do not respond to a surety's requests for job status reports, the surety may monitor progress of guaranteed bonded projects through the contractor's job schedules.

(B) A surety shall not charge a principal a premium amount greater than that authorized by the Ohio department of insurance. The surety shall not require the principal to purchase casualty or other insurance or any other services from the surety or any affiliate or agent of the surety. The surety shall not charge non-premium fees to a principal unless the surety performs other services for the principal, Ohio law does not prohibit the additional fee, and the principal agrees to the fee.

(C) No person may be named co-obligee or obligee or on a rider to the bond unless that person is bound by the contract to the principal (or to the surety, if the surety has arranged completion of the contract) to the same extent as the original obligee. In no event may the addition of one or more co-obligees increase the aggregate liability of the surety under the bond.

(D) There shall be no execution or approval of a bond by a surety after commencement of work under a contract unless the surety obtains prior written approval from the development services agency.

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