Ohio Administrative Code

Rule 122:15-1-05 Payment of loss on DSA guaranteed bond; collection.

Effective: April 7, 2014

(A) A surety shall submit claims for reimbursement of losses on a bond guarantee on a form approved by the development services agency according to the terms of the EDGE bond guarantee agreement entered into between the surety and the development services agency. Claims for reimbursement and any additional information submitted are subject to review and audit by the development services agency.

(B) Unless otherwise notified by the development services agency to the contrary, the surety must handle and process all claims under the bond, all settlements and all recoveries in the same manner and under the same standards as it uses for non-guaranteed bonds. The surety shall be entitled to reimbursement for the guaranteed share of losses, including financing of the bond principal to avoid an imminent default, as long as it paid the losses in good faith and in accordance with its normal procedures and reasonable industry standards. The surety shall pursue indemnity and recovery on account of such losses in accordance with its normal procedures and reasonable industry standards. The development services agency shall reimburse the surety for the guaranteed percentage of the cost of such indemnity and recovery efforts, and the surety shall remit to the development services agency the guaranteed percentage of all indemnity or recovery received by the surety.

(C) The payment by the development services agency of a surety's claim does not waive, compromise, or invalidate any of the terms, claims and defenses under the EDGE bond guarantee agreement, the Ohio Revised Code, Ohio Administrative Code or any other applicable law, regulation or policy.

(D) Within thirty days of surety's receipt of notification from the development services agency that a claim or any portion of a claim was improperly paid by the development services agency to the surety, the surety shall repay the specified amounts to the develement services agency.