

31A-22-103 Validity of surety bonds.

- (1) An undertaking to stand as surety which is issued by an insurer authorized to do a surety business in this state is complete compliance with any qualification requirement in Utah law respecting surety bonds. This undertaking is acceptable to any state official or court-appointed fiduciary authorized to receive or empowered to require the undertaking. A copy of a surety's certificate of authority, certified by the commissioner, is prima facie evidence that a surety was authorized to do business in this state on the date of the certificate.
- (2) No instrument executed by an insurer authorized to do a surety business is ineffective because of the insurer's failure to attach a copy of its certificate of authority to do business in this state. However, a public official or court-appointed fiduciary may, by prior written request, require that a copy of the insurer's certificate of authority, certified by the commissioner, be delivered. The insurer's failure to deliver a certified copy of the surety's certificate of authority within 10 days of receipt of the request is adequate grounds for refusing to accept the suretyship instrument. Failure to request a copy of the certificate of authority prior to accepting the surety instrument is a waiver of the right to request the certificate.
- (3) After executing an obligation of suretyship, no insurer may deny its corporate power to execute that type of instrument or to incur that type of liability in any proceeding against the insurer upon that instrument.

Amended by Chapter 204, 1986 General Session