

31A-5-205 Bond.

- (1) No organization permit may be issued until the commissioner receives from the applicants a bond of an authorized corporate surety, or a deposit of cash or approved securities under Section 31A-2-206. This bond or deposit shall be in an amount the commissioner determines is sufficient, but in no event may it be less than \$20,000, nor more than \$100,000. The bond or deposit shall be in favor of the state of Utah and of any subscribers and creditors of the applicant, for the payment of costs incurred by the state by reason of dissolution of the corporation before the issuance of a certificate of authority and for the payment of other debts incurred in the organizational period. The bond shall be discharged or the deposit returned upon issuance of the certificate of authority under Section 31A-5-212.
- (2) This section does not apply to stock or mutual insurance corporations already in existence on July 1, 1986.

Enacted by Chapter 242, 1985 General Session