

**7512.1000 INSURANCE AND BOND.**

Subpart 1. **Insurance.** A fire protection contractor shall have a general liability insurance policy meeting the following requirements:

- A. The policy must include products and completed operations coverage.
- B. The limits of insurance coverage of the policy must be at least \$250,000 per person and \$500,000 per occurrence and property damage insurance with limits of at least \$100,000.
- C. The policy must be conditioned to pay, on behalf of the insured, those amounts that the insured is legally obligated to pay as damages because of bodily injury and property damage caused by an occurrence involving the insured or the insured's servant, officer, agent, or employee in the performance of fire protection-related work.
- D. The term of the policy must be concurrent with the term of the license.
- E. The policy must be executed by an insurer authorized to do business in Minnesota and countersigned by an insurance agent licensed in Minnesota.
- F. The policy must contain a stipulation that the insurance may not be canceled, terminated, or changed in a way so that it no longer meets the requirements of this subpart, except upon 30 days' prior written notice to the commissioner.

Subp. 2. **Bond.** A contractor must have a bond meeting the following requirements:

- A. The bond must be for the total penal sum of \$30,000 conditioned upon the faithful and lawful performance of all work entered upon within the state.
- B. The bond must be for the benefit of persons injured or suffering financial loss by reason of failure of performance.
- C. The term of the bond must be concurrent with the term of the license.
- D. The bond must be written by a corporate surety licensed to do business in the state, be a cash bond, or be an irrevocable line of credit.
- E. The bond must contain a stipulation that the bond may not be canceled, terminated, or changed in a way so that it no longer meets the requirements of this subpart, except upon 30 days' prior written notice to the commissioner.

Subp. 3. **Failure to have insurance or bond.** Except as provided in subpart 4, a fire protection contractor shall not perform fire protection-related work if the contractor does not have insurance meeting the requirements of subpart 1 and a bond meeting the requirements of subpart 2.

Subp. 4. **Exceptions to insurance or bond requirements.** A fire protection contractor may, without the insurance or bond required by this part, perform fire

protection-related work on premises or that part of premises actually occupied by the contractor and owned by the contractor or leased by the contractor for a period of at least one year.

**Statutory Authority:** *MS s 299M.04*

**History:** *18 SR 1870*

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