

**COLLECTION AGENCY FINANCIAL RESPONSIBILITY SURETY BOND**

**BOND NUMBER:** \_\_\_\_\_

**CHECK ONE:** [ ] RIDER [ ] ENDORSEMENT [ ] REPLACEMENT

**KNOW ALL MEN BY THESE PRESENTS** that we \_\_\_\_\_, (*Surety*) located at \_\_\_\_\_ (Address), a Surety company licensed to transact surety business in the State of North Carolina ("Surety"), are held and firmly bound unto the Commissioner of Insurance of the State of North Carolina in the penal sum of \_\_\_\_\_, (\$ \_\_\_\_\_) for the payment of which, well and truly to be made, we and each of us bind ourselves, our heirs, successors and assigns, firmly by these presents agrees pursuant to the provisions of NCGS § 58-70-5 or NCGS § 58-70-20, to indemnify any person damaged by any erroneous act or failure to act.

Surety issues a bond on behalf of \_\_\_\_\_, (**Licensee/"Principal"**) located at \_\_\_\_\_ (Address), \_\_\_\_\_ (NC Permit/License #)

This bond is made in consideration of and as a condition precedent to the Commissioner of Insurance's issuance of a permit to the Principal under Article 70, Chapter 58 of the North Carolina General Statutes. The Surety acknowledges that these bond liabilities shall remain in full force during the permit period, continuous in form, and remain in effect until all monies collected by the Principal on behalf of third parties have been accounted. The bond is for the benefit of any person, firm or corporation for whom the Principal engages in the collection of accounts.

**Check (1) one:**

- [ ] **Domestic Collection Agency Bond Requirement:** In accordance with statutory requirements, the initial bond amount for a collection agency permit as a domestic entity, (incorporated within NC), shall be in the amount of ten thousand dollars (\$10,000.00). Effective with the July 1st annual renewal cycle, bond amounts will range from a minimum of ten thousand dollars (\$10,000.00) to a maximum of seventy-five thousand dollars (\$75,000.00).
- [ ] **Foreign Collection Agency Bond Requirement:** In accordance with statutory requirements, the initial bond amount for a collection agency permit as a foreign entity, (incorporated outside of NC), shall be in the amount of twenty thousand dollars (\$20,000.00). Effective with the July 1st annual renewal cycle, bond amounts will range from a minimum of twenty thousand dollars (\$20,000.00) to a maximum of eighty-five thousand dollars (\$85,000.00). The Surety also agrees to be liable to the Commissioner of Insurance for the Department's expenses incurred in visiting and examining the Principal in connection with a federal bankruptcy or State receivership proceeding in which the Principal is the subject of the proceeding.
- [ ] **Alien Collection Agency Bond Requirement:** In accordance with statutory requirements, the initial bond amount for a collection agency permit as an alien entity, (non-U.S. Corporation/International), shall be in the amount of forty thousand dollars (\$40,000.00). Effective with the July 1st annual renewal cycle, bond amounts will range from a minimum of forty thousand dollars (\$40,000.00) to a maximum of one hundred seventy thousand dollars (\$170,000.00). The Surety also agrees to be liable to the Commissioner of Insurance for the Department's expenses incurred in visiting and examining the Principal in connection with a federal bankruptcy or State receivership proceeding in which the Principal is the subject of the proceeding.

The aggregate liability of the Surety shall, in no event, exceed the corresponding penal sum as set forth above, regardless of the number of years the bond is in force and effect. Termination of this bond by the Surety shall be without prejudice to any liability incurred under this bond and shall be effective only upon thirty (30) days prior written notice to both the Principal and the Commissioner of Insurance. Notice of termination shall be given by sending written notice to both the North Carolina Department of Insurance/Agent Services Division, 1204 Mail Service Center, Raleigh NC 27699-1204, and the Principal at the Principal's last address known to the Surety. Notice to the Commissioner of Insurance shall be deemed to have been given upon written receipt by the North Carolina Department of Insurance/Agent Services Division. The Surety shall not be liable for any liabilities of the Principal incurred after the effective termination date of this bond.

**IN WITNESS WHEREOF**, This agreement has been executed by and behalf of the Surety this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

Surety Co. Name:		Principal/Permit Holder Name:		NC Permit #:
Authorized Representative ( <b>print</b> ):		Authorized Representative ( <b>print</b> ):		
Signature:	Title:	Signature:	Title:	

**NOTARY ACKNOWLEDGEMENT**

State of \_\_\_\_\_ County of \_\_\_\_\_

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

Notary Public \_\_\_\_\_ My commission expires: \_\_\_\_\_

**2012-2013 COLLECTION AGENCY RENEWAL  
SURETY BOND CALCULATION WORKSHEET**

**INSTRUCTIONS:** In accordance with NCGS § 58-70-20, each year license/permit holders shall file with the Commissioner of Insurance a bond in favor of the State of North Carolina that is executed by a surety company licensed to transact surety business in NC. Applicants should ensure the bonds cover the annual permit period of July 1st thru June 30th. Attach a copy of the bond renewal, rider, and/or continuation certificate along with renewal premium paid receipt.

Legal Name:	NC Permit #:	<b>AGENCY DESIGNATION:</b>
DBA/Trade Name (if applicable):		<input type="checkbox"/> Domestic (incorporated in NC) <input type="checkbox"/> Foreign (U.S. incorporated outside NC) <input type="checkbox"/> Alien (Non-U.S. incorporated/Intl)

North Carolina Debt Collection Computations (ALL):	
(A) Total NC Debt Collections: January 1 -December 31, 2011	\$
(B) LESS—Agency Commissions: January 1 -December 31, 2011	
(C) Adjusted NC Debt Collections {A minus B}	
(D) Multiplier	0.167
<b>(E) Bond Collection Basis {multiply 'C' times 'D'}</b>	<b>\$</b>

\*\*If zero \$-0- NC collections, provide written explanation

ALIEN AGENCY:	
Bond Collection Basis (line'E')	\$
<u>ADD:</u> Alien Fee (per NCGS § 58-70-20(c))	\$ 20,000.00
<b>2012-2013 BOND TOTAL**</b>	<b>\$</b>
*****	
** <b>Minimum</b> Bond Amount	<b>\$ 40,000.00</b>
** <b>Maximum</b> Bond Amount	\$ 170,000.00

FOREIGN AGENCY:	
Bond Collection Basis (line'E')	\$
<u>ADD:</u> Foreign Fee (per NCGS § 58-70-20(c))	\$ 10,000.00
<b>2012-2013 BOND TOTAL**</b>	<b>\$</b>
*****	
** <b>Minimum</b> Bond Amount	<b>\$ 20,000.00</b>
** <b>Maximum</b> Bond Amount	\$ 85,000.00

DOMESTIC AGENCY:	
Bond Collection Basis (line'E')	\$
<b>2012-2013 BOND TOTAL**</b>	<b>\$</b>
*****	
** <b>Minimum</b> Bond Amount	<b>\$ 10,000.00</b>
** <b>Maximum</b> Bond Amount	\$ 75,000.00

I hereby certify on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the above collection agency surety bond calculations are true, accurate and in compliance with North Carolina General Statutes 58-70-5; 58-70-10; and 58-70-20. I understand that if there are zero NC debt collections for the aforementioned period the minimum bond amount, for my agency designation, must be carried and along with a written explanation for \$-0- collections.

**Signature of Authorized Representative:** \_\_\_\_\_

**Print Name & Title:** \_\_\_\_\_