

IF THE INSURANCE REQUIRED UNDER THIS SECTION IS CANCELED, THE INSURER SHALL NOTIFY THE STATE BOARD WITHIN 10 DAYS AFTER THE DATE OF CANCELLATION.

(F) SURETY BONDS.

IF A LOCAL JURISDICTION REQUIRES AN APPLICANT FOR A LOCAL LICENSE TO EXECUTE A BOND TO THE LOCAL JURISDICTION, THE APPLICANT MAY SATISFY THE BOND REQUIREMENT BY SUBMITTING PROOF OF THE INSURANCE REQUIRED UNDER THIS SECTION.

COMMITTEE COMMENT: Subsections (a), (b), (c)(1), (e), and (f) of this section are new language derived from the first, third, fourth, and fifth sentences and, as it related to issuance of a State license, the second sentence of former Art. 56, § 535(d).

Subsection (c)(2) of this section is new language added for clarity.

Subsection (d) of this section is new language substituted for the former inaccurate requirement that "proof of insurance shall be shown prior to ... the renewal of a license". An individual is not required to submit a certificate of insurance before the State Board does, in fact, renew the license. This discrepancy may be based partly on the fact that the terms or expiration dates for the insurance do not coincide with the term or expiration date of the license. The State Board keeps on file the certificates of insurance of all State licensees. The practice of the State Board is to notify the State licensee 25 days before the insurance expires. If the licensee does not submit proof of insurance before the insurance expires, a charge letter is sent to the licensee. The letter informs the licensee that the licensee is in violation of §§ 2-604 and 2-316(a)(8) and (11) of this title -- former Art. 56, §§ 535(d) and 539(a)(8) -- and is entitled to a hearing on the charges.

The introductory language of subsection (b) of this section is substituted for the former references to "{a} person, firm, or corporation engaging in the business of electrical contracting under this subtitle", to clarify that the insurance requirements apply to the licensee or the person to whom the license is assigned.

In subsection (b)(1) and (2) of this section, the words "at least" are added to clarify that this subsection sets minimum requirements.