

A SURETY INSURER MAY NOT MAKE AN INQUIRY ABOUT RACE, CREED, COLOR, OR NATIONAL ORIGIN IN A SURETY FORM, QUESTIONNAIRE, OR OTHER MANNER OF REQUESTING GENERAL INFORMATION THAT RELATES TO AN APPLICATION FOR A SURETY BOND.

(D) NOTICE OF PROPOSED ACTION.

ON REQUEST, A SURETY INSURER THAT INTENDS TO CANCEL OR REFUSE TO ISSUE OR RENEW A SURETY BOND SHALL SEND TO THE BONDHOLDER OR APPLICANT WRITTEN NOTICE THAT STATES THE REASON FOR THE PROPOSED ACTION.

(E) COMPLAINT; HEARING.

(1) A PERSON AGGRIEVED UNDER THIS SECTION SHALL NOTIFY THE COMMISSIONER IN WRITING WITHIN 30 DAYS AFTER THE OCCURRENCE GIVING RISE TO THE COMPLAINT AND SHALL STATE THE FACTS GIVING RISE TO THE COMPLAINT.

(2) ON RECEIPT OF A COMPLAINT, THE COMMISSIONER SHALL FORWARD A COPY OF THE COMPLAINT TO THE SURETY INSURER.

(3) IF THE COMMISSIONER FINDS THAT THE COMPLAINT IS WITHOUT MERIT, THE COMMISSIONER SHALL DISMISS THE COMPLAINT WITHOUT A HEARING AND SHALL NOTIFY THE SURETY INSURER AND COMPLAINANT PROMPTLY IN WRITING.

(4) IF THE COMPLAINT IS NOT DISMISSED WITHOUT A HEARING, THE COMMISSIONER SHALL:

(I) HOLD A HEARING ON THE COMPLAINT WITHIN 30 DAYS AFTER RECEIPT OF THE COMPLAINT; AND

(II) GIVE WRITTEN NOTICE OF THE TIME AND PLACE OF THE HEARING TO ALL PARTIES AT LEAST 10 DAYS BEFORE THE HEARING.

(5) AT A HEARING TO DETERMINE WHETHER THIS SECTION HAS BEEN VIOLATED, THE BURDEN OF PERSUASION IS ON THE SURETY INSURER TO SHOW THAT THE CANCELLATION OR REFUSAL TO UNDERWRITE OR RENEW IS NOT BASED WHOLLY OR PARTLY ON RACE, COLOR, CREED, SEX, OR PHYSICAL HANDICAP OR DISABILITY OF AN APPLICANT OR PRINCIPAL OR FOR ANY UNFAIRLY DISCRIMINATORY REASON.

(6) IF, AFTER THE HEARING, THE COMMISSIONER FINDS THAT THE SURETY INSURER HAS VIOLATED THIS SECTION, THE COMMISSIONER MAY ISSUE AN APPROPRIATE ORDER THAT:

(I) STATES THE MANNER IN WHICH THE SURETY INSURER HAS VIOLATED THIS SECTION;

(II) PROVIDES RELIEF UNDER SUBSECTION (G) OR (H) OF THIS SECTION; AND