

WAC 212-80-078 Contractor surety bonds. (1) **Is the surety bond required by the department of labor and industries acceptable to the director for issuing a fire protection sprinkler system contractor license?** No. A fire protection sprinkler system contractor must have a separate bond conditioned to compensate third-party losses caused by the acts of the contractor's principal or the principal's servant, officer, agent, or employees, in conducting the business registered or licensed under this chapter as follows:

(a) Level 3 or Level "U" fire protection sprinkler system contractor, must file with the director a surety bond executed by a surety company authorized to do business in the state of Washington, in the sum of ten thousand dollars; or

(b) Level 1 or Level 2 systems or a contractor to be licensed as an inspection and testing contractor, must file with the director a surety bond executed by a surety company authorized to do business in the state of Washington, in the sum of six thousand dollars.

SURETY BOND REQUIREMENT CHART

| Level | 1 | 2 | 3 | U | I&T |
|--|----------|----------|----------|----------|---------|
| Building Type By NFPA Standard | NFPA 13D | NFPA 13R | NFPA 13 | NFPA 24 | NFPA 25 |
| Bond Amount | \$6,000 | \$6,000 | \$10,000 | \$10,000 | \$6,000 |
| This is a separate bond from the one obtained to license with L&I. | | | | | |

(2) **Can another type of security bond be used other than the surety bond?** Yes. Upon approval by the director, cash or other security may substitute for a surety bond provided the value matches the appropriate level of bonding required under subsection (1) of this section and the following conditions are met:

(a) The value of property must be determined by an appraiser selected by the director and all appraisal fees will be paid by the fire protection sprinkler system contractor.

(b) The cash or other security substitute will be released one year after the expiration of the fire protection system contractor license issued by the director provided that there are no claims against the bond.

(3) **What notice is required for cancellation of a bond?** A cancellation of a surety bond or insurance policy is effective thirty days after the director receives the cancellation notice or upon the cancellation date as specified by the surety company whichever occurs first. The cancellation notice must be sent to the director by certified or registered mail and contain the following information in this order:

(a) The name of the contractor, exactly as it appears on the contractor's license;

(b) The contractor's license number (as issued by the department of labor and industries);

(c) The contractor's business address;

(d) The number of the bond or insurance policy that is to be canceled; and

(e) The effective date of the bond that is to be canceled.

(4) **What happens if the bond is canceled or expires without renewal?** If the surety company cancels or revokes the bond or a withdrawal of the surety company from the bond occurs, the director will suspend both the fire protection sprinkler system contractor license issued to the contractor, and the certifications of employee(s) employed by the contractor pursuant to WAC 212-80-205. The director may rescind the suspension action when the contractor files a new bond or

reinstatement notice. The director will provide written notice to both the contractor and certificate holders of the license or certificate suspension action. This subsection does not apply to the certificates of commercial or residential installers under chapter 18.270 RCW.

[Statutory Authority: RCW 18.270.900 and 18.160.030. WSR 14-03-019, § 212-80-078, filed 1/7/14, effective 2/7/14. Statutory Authority: RCW 18.270.900. WSR 09-01-114, § 212-80-078, filed 12/19/08, effective 1/19/09. Statutory Authority: Chapters 43.43 and 18.160 RCW. WSR 05-17-099, § 212-80-078, filed 8/16/05, effective 9/16/05; WSR 05-05-006, amended and recodified as § 212-80-078, filed 2/4/05, effective 3/7/05. Statutory Authority: Chapters 43.63A and 18.160 RCW. WSR 92-20-070 (Order 92-08), § 212-80-125, filed 10/5/92, effective 11/5/92.]