

STEPHEN F. SISOLAK  
*Governor*

STATE OF NEVADA

MICHAEL BROWN  
*Director*



BARBARA D. RICHARDSON  
*Commissioner*

DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INSURANCE

1818 East College Pkwy., Suite 103  
Carson City, Nevada 89706  
(775) 687-0700 • Fax (775) 687-0787  
Website: [doi.nv.gov](http://doi.nv.gov)  
E-mail: [insinfo@doi.nv.gov](mailto:insinfo@doi.nv.gov)


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**Bond Cancellations by Surety Insurers**

The Division of Insurance (Division) has been receiving notices from surety insurers that fail to contain all of the necessary information to effectuate bond cancellations for certain licenses, certificates of registration, and certificates of authority (hereinafter "licenses") issued pursuant to Title 57 of the Nevada Revised Statutes (Insurance Code). Various licenses under the Insurance Code require bonds to be filed with the Division for a person to qualify for the license. Nevada law requires sureties to give certain notice to the licensee and the Commissioner of Insurance before the bond cancellation can take effect because failure to maintain a bond is grounds for administrative action against a licensee. Notice requirements for each license type are not the same. Therefore, it is essential that surety insurers review the statutes relevant to the bonds issued to ensure that the surety insurer is giving proper written notice to cancel the bond.

**Failure to meet the notice requirements set out in statute will result in rejection of the bond cancellation, leaving the surety insurer liable on the bond.** If Nevada law requires a surety insurer to provide advanced written notice to the licensee, the surety insurer must provide the Division with an attestation that such notice has been provided for the Division to process the bond cancellation. If the Division cannot process the bond cancellation, the bond will remain in effect.

  
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BARBARA D. RICHARDSON  
Commissioner of Insurance