

January 13, 1978

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 1 (1978)

TO: ALL INSURERS AUTHORIZED TO TRANSACT SURETY BUSINESS IN THIS STATE

RE: SURETY BOND GUARANTEE PROGRAM

Pursuant to U. S. Public Law 91-609 small and minority contractors unable to obtain contract bonds in the open market could apply for such bonds under the U. S. Small Business Administration Surety Bond Guarantee Program, in accordance with the eligibility requirements applicable thereto.

Information received by this Department indicates that approval of applications for such bonds by surety companies are being unnecessarily delayed or declined without furnishing the applicant the reason therefor.

In order to afford such contractors the opportunity to meet the requirements to qualify for such bonds, surety companies shall now be required to furnish the contractor with the reason for unreasonable delays in acting on applications or for declination of applications submitted under the SBA Surety Bond Guarantee Program.

Kindly acknowledge receipt of this letter to:

Harold Sohmer, Chief
Property and Casualty Insurance Bureau
2 World Trade Center
New York, NY 10047

[SIGNATURE]

ALBERT B. LEWIS

Superintendent of Insurance