

WAC 208-620-340 Do I have any alternative to maintaining a surety bond? With the director's approval, you may use a bond substitute, as defined in WAC 208-620-010, that meets the following requirements:

(1) Your company must be a Washington business corporation.

(2) Your company must maintain unimpaired capital in an amount so that the aggregate sum of the company's debt, including outstanding promissory notes or other evidences of debt, does not at any time exceed three times the amount of its bond substitute.

(3) You may exclude long-term subordinated debt, as defined in WAC 208-620-010, for purposes of calculating the bond substitute only if any claim by the subordinate debtholder on the company's assets is junior to claims by the state or a consumer under the act. You must file with the director a subordination agreement in favor of the state.

(4) You must not consider bad debts and uncollectible judgments as assets for purposes of calculating the bond substitute. A bad debt is any debt owed to you upon which any payment is six months or more past due. An uncollectible judgment is any judgment which is more than two years old and which has not been paid.

[Statutory Authority: RCW 43.320.040 and 31.04.165. WSR 13-24-024, § 208-620-340, filed 11/22/13, effective 1/1/14. Statutory Authority: RCW 43.320.040, 31.04.165, 2009 c 120, and 2009 c 149. WSR 09-24-090, § 208-620-340, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 31.04.015, 31.04.045, 31.04.075, 31.04.085, 31.04.093, 31.04.102, 31.04.115, 31.04.145, 31.04.155, and 31.04.175. WSR 06-04-053, § 208-620-340, filed 1/27/06, effective 2/27/06.]