

Bond and Insurance Quick Facts

	Bond Amount Required	Bond Effective Date & Cancellations	Insurance Amount Required	Cash Deposit in Lieu of Bond	Certificate of Deposit Release or Cancellation*
General Contractor	\$25,000	Must continuously remain in effect for 3 years until canceled by surety, the principal, or Department	Property damage = \$20,000 Injury/death to one person = \$50,000 Injury/death to more than one person = \$100,000	\$25,000	See below*
General Contractor With Residential Contractor Endorsement	\$20,000	Must continuously remain in effect for 3 years until canceled by surety, the principal, or Department	Property damage = \$20,000 Injury/death to one person = \$50,000 Injury/death to more than one person = \$100,000	\$20,000	See below*
Mechanical Contractor	\$10,000	Must continuously remain in effect for 3 years until canceled by surety, the principal, or Department	Property damage = \$20,000 Injury/death to one person = \$50,000 Injury/death to more than one person = \$100,000	\$10,000	See below*
Specialty Contractor	\$10,000	Must continuously remain in effect for 3 years until canceled by surety, the principal, or Department	Property damage = \$20,000 Injury/death to one person = \$50,000 Injury/death to more than one person = \$100,000	\$10,000	See below*
When contractor whose contract price is ≤\$10,000 (Handyman)	\$5,000	Must continuously remain in effect for 3 years until canceled by surety, the principal, or Department	Property damage = \$20,000 Injury/death to one person = \$50,000 Injury/death to more than one person = \$100,000	\$5,000	See below*

Certificate of Deposit Release or Cancellation-

A CD cannot be released until 3 years subsequent to the date the contractors ceases to conduct business OR 3 years from effective date of bond or new cash deposit. If a surety bond is obtained in lieu of a certificate of deposit and then a new surety bond or CD replaces the initial substitution bond, it must still cover the same effective date time period of the initial bond.

Cash Deposit -

A cash deposit or other negotiable security that is filed with the Department of Commerce, Community, and Economic Development in lieu of a surety bond. *(AS 08.18.171)*

Negotiable Security -

Any written security which may be transferred by endorsement and delivery or by delivery only, so as to vest in the transferee the right to demand payment of the full value stated on the face of the security, and includes time certificates of deposit, bonds issued by governmental agencies and other similar instruments. *(12 AAC 21.990)*