**Section 240.1510 Definitions**

a) Bond means surety bond or other security in lieu thereof.

b) Surety bond means an indemnity agreement in a sum certain payable to the Department, executed by the permittee as principal and which is supported by the guarantee of a corporation authorized to transact business as a surety in Illinois. Surety bond does not include surplus line insurance procured by a surplus line producer.

c) Other security means an indemnity agreement in a sum certain executed by the permittee as principal which is supported by the deposit with the Department of one or more of the following:

1) An irrevocable letter of credit of any bank organized or authorized to transact business in Illinois, payable only to the Department upon presentation;

2) Certificates of deposit, drawn on a federally insured bank, made payable or assigned to the Department and placed in its possession.

(Source: Amended at 22 Ill. Reg. 22314, effective December 14, 1998)