

Bonding Companies—Renewal of Abstractors' Bonds.

Section 4143 of the Revised Codes of 1921 construed to require an abstractor to file a new and separate renewal bond annually.

J. W. Walker, Esq.,
State Treasurer,
Helena, Montana.

My dear Mr. Walker:

You have inquired whether the renewal certificate furnished by bonding companies for renewal of their bonds furnished to abstractors of title is sufficient under the law, which renewal certificate contains the following provision:

"It is expressly stipulated that in no event shall the aggregate liability of the Surety for any one or more defaults of the principal during any one or more years of the suretyship under the bond hereinabove referred to, as extended by this or any other extension thereof, exceed the amount specifically set forth in said bond or any existing certificate changing the amount of said bond."

Section 4139 of the Revised Codes of 1921 requires under penalty that abstractors of title furnish bond in the penal sum of \$5,000, running to the State of Montana, for the use of any person aggrieved by the acts of such abstractor.

Section 4143 reads, in part, as follows:

"The bond or undertaking herein provided for shall be in full force and effect for a period of one year, and shall be renewed annually."

There is nothing in either of these sections authorizing the surety to limit his liability as provided in the above quoted stipulation, and in view of the requirement of Section 4143 that the undertaking shall be renewed annually, it is my opinion that a renewal certificate containing said stipulation is insufficient and that a new and separate renewal bond should be required annually in order to comply with the above statute.

Very truly yours,

WELLINGTON D. RANKIN,
Attorney General.