

Bonds — Surety — Foreign Assurance Companies — Contracts—Federal Aid.

Bonds executed by a foreign assurance corporation may be accepted by the state on road contracts involving federal aid where the federal government is not a party to the contract.

July 5, 1928.

George P. Porter, Esq.,
State Auditor and Commissioner of Insurance,
Helena, Montana.

My dear Mr. Porter:

You have requested my opinion on the following question:

“Can surety bonds executed by the Employer’s Liability Assurance Corporation, Ltd., of London, England, a foreign corporation, be accepted by the state on road contracts involving federal aid?”

This question is presented because of the fact that bonds executed by foreign corporations are not acceptable on direct obligations to the United States Government, but you have enclosed with your re-

quest a letter from the secretary of the state highway commission in which it is stated:

“While federal aid is involved in most of our contracts, the contract is between the state and the contractor, and the federal government is in no sense a party to the contract.”

This being the case, it is my opinion that bonds executed by the foreign corporation in question may be accepted by the state on road contracts involving federal aid.

Very truly yours,

L. A. FOOT,
Attorney General.