

surety companies must be in the full amount of the particular contract.

January 14, 1933.

You have submitted to this office the following question and ask for an opinion thereon: "If a highway building contractor's surety company becomes insolvent before the completion of such contractor's construction obligations, but after a large portion of the work of such contractor has been completed, shall the Highway Commission require a bond for the full amount of the contract or for such amount as is necessary to protect unfinished work?"

This proposition, in the judgment of this office, is fully covered by Section 4 of Chapter 20, Laws of 1931. In said Chapter 20 you will note that a bond is required for the full amount of the contract except in certain instances relating to municipalities which do not apply to the proposition that you have presented.

Another provision that would bear on the situation is the fact that material men, laborers and others have a right of lien which may be exercised any time within fifteen days after the completion of the contract and as your Commission is not presumed to know just what rights of liens may be outstanding it would appear that the full amount of the bond would be necessary even though it may work a hardship on the bonding company's agent.

In view of the foregoing it is the opinion of this office that bonds to be required in lieu of bonds of insolvent surety companies would have to be in the full amount of the particular contract.

Opinion No. 27

**Highway Contractor's Bond—Surety
Bond—Insolvent Surety.**

HELD: Under the facts, bonds to be required in lieu of bonds of insolvent