

**ALABAMA DEPARTMENT OF INSURANCE**

STATE OF ALABAMA  
COUNTY OF \_\_\_\_\_

**SURETY BOND**

**BOND NUMBER** \_\_\_\_\_

**KNOW BY ALL MEN BY THESE PRESENTS:**

**THAT** \_\_\_\_\_,  
having a place of business in \_\_\_\_\_ (City), \_\_\_\_\_ (County), Alabama,  
as principal, hereinafter called certificate holder, and the \_\_\_\_\_  
authorized to conduct and carry on a general surety business in the State of Alabama, as surety, are held  
firmly and bound unto the Insurance Commissioner of the State of Alabama, as head of the Alabama  
Department of Insurance, and his successors in office, in the sum of \_\_\_\_\_ Dollars  
(\$ \_\_\_\_\_) for the payment whereof certificate holder and surety bind themselves, their heirs,  
executors, administrators, successors and assigns, jointly and severally, firmly by these presents. This sum  
shall not be less than the aggregate value of outstanding liabilities on undelivered preneed contracts for  
merchandise, services and cash advances as those terms are used and defined in the Alabama Preneed  
Funeral and Cemetery Act (the "Act"), Title 27, Chapter 17A-1-56. The term "outstanding liabilities" is  
defined in the Act as the original retail amount of services and cash advances and the actual cost to the  
certificate holder to provide the undelivered preneed contracts at the end of the prior calendar month. If the  
preneed contracts are based upon changes in the consumer price index, the sum shall include any increases  
in the aggregate value or outstanding liabilities that arise from changes in the consumer price index.

**WHEREAS**, certificate holder has or plans to offer for sale preneed funeral merchandise and  
services contracts pursuant to Title 27, Chapter 17A of the Code of Alabama 1975 and any rules and  
regulations promulgated by the Alabama Department of Insurance dealing with Chapter 17A.

**WHEREAS**, certificate holder agrees to deliver said preneed funeral merchandise and services in  
accordance with the requirements of Title 27, Chapter 17A of the Code of Alabama 1975 and any rules and  
regulations promulgated by the Alabama Department of Insurance dealing with Chapter 17A.

**NOW THEREFORE, THE CONDITION OF THIS OBLIGATION** is such that, if certificate  
holder shall promptly and faithfully perform said preneed funeral merchandise and services contracts, then  
this obligation shall be null and void; otherwise it shall remain in full force and effect, until all preneed  
funeral merchandise and services contracts entered into prior to resignation by the surety.

The surety hereby waives notice of an alteration or extension of time by the Alabama Department  
of Insurance.

Whenever the certificate holder shall be, and is declared by the Alabama Department of Insurance  
to be, in default, the surety must promptly remedy the default by delivering the preneed funeral  
merchandise and services in accordance with each Contract for Preneed Funeral Merchandise and Services.

The surety shall have the right, upon sixty (60) days, written notice to the Alabama Department of  
Insurance and the certificate holder, to resign as the surety company, and thereupon, shall not accrue any  
liability for preneed contracts for funeral merchandise and services entered by the certificate holder after  
the date of such resignation. However, the resignation of the surety company shall not relieve the  
obligation of this Surety Bond for claims arising out of preneed funeral merchandise and services contracts  
issued or otherwise covered before the resignation of the surety company. This surety bond shall remain in  
force until the aggregate value of outstanding liabilities incurred by the certificate holder and that are

covered by this surety bond prior to the resignation of the surety company have been fully paid, fulfilled, or terminated.

The surety shall have the right, with the express written consent of the Alabama Department of Insurance, upon sixty (60) days written notice to the Alabama Department of Insurance and the certificate holder, to cancel this surety bond. If this surety bond is cancelled, the certificate holder must provide the Insurance Commissioner of the State of Alabama, within thirty (30) days of the first notice of cancellation sent by the surety to the Insurance Commissioner of the State of Alabama, with evidence that the replacement surety bond complies with the requirements of Title 27, Chapter 17A of the Code of Alabama 1975 and any rules and regulations promulgated by the Alabama Department of Insurance dealing with Chapter 17A. This shall be done by providing the Insurance Commissioner of the State of Alabama with a copy of the replacement surety bond. The replacement surety bond must cover all of the aggregate value of outstanding liabilities of the replaced surety bond as of the date of cancellation. This surety bond may not be cancelled without a replacement surety bond being provided to the Alabama Department of Insurance which covers the aggregate value of outstanding liabilities that this surety bond covered at the proposed date of cancellation.

**SIGNED AND SEALED** at \_\_\_\_\_ (City), \_\_\_\_\_ (County),  
Alabama, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

In the presence of:

\_\_\_\_\_ BY: \_\_\_\_\_  
(Seal) (Principal)

\_\_\_\_\_ as Surety

BY: \_\_\_\_\_  
(Attorney In Fact)