



## Ohio Administrative Code

### Rule 4501-21-07 Performance bond; escrow account.

Effective: May 18, 2006

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(A) No remedial driving course approval will be issued or renewed until the authorizing official certifies that the remedial driving course enterprise maintains a continuous performance bond for each of its courses sufficient to cover the cost of reimbursing students for instruction not supplied. In lieu of a performance bond, an enterprise may maintain an escrow account to cover the cost of reimbursing students for instruction and/or services not supplied. The performance bond or escrow account shall continue in force as long as the enterprise operates a remedial driving course or as long as the enterprise has students to whom it is contractually obligated.

In determining whether a performance bond or escrow account is sufficient to ensure reimbursement, the department shall consider the following:

- (1) The number of students trained by the enterprise and/or the number of students anticipated to be trained by the enterprise;
- (2) Whether the enterprise already maintains a bond that would be sufficient to ensure reimbursement; and
- (3) How the enterprise handles prepayments and issuance of certificates.

(B) The current and valid performance bond or evidence of escrow account shall be maintained at the remedial driving course enterprise office and filed as a part of the course records and made available upon request. Such bond or escrow account shall be obtained from a company authorized to do business in this state specifying that such remedial driving course enterprise shall not practice any fraud or make any fraudulent representation that may cause a monetary loss to a person taking instruction from the enterprise.

(C) The bond or escrow account shall include the remedial driving course enterprise name, the amount of the bond or escrow account, the effective date, and the period of coverage.



(D) The bond or escrow account shall name the department of public safety and the state of Ohio as obligees and shall stipulate that the director shall be notified ten days before the bond or escrow account terminates due to its expiration or cancellation or before the bond or escrow account is reduced in value.

(E) The above bond or escrow account is required of each remedial driving course enterprise but does not apply to a remedial driving course enterprise operated under the authority of the state of Ohio or any political subdivision approved by the director.

(F) Failure to maintain such performance bond or escrow account, including the record of bond or escrow account required by this rule, during any portion of the licensure period may result in suspension or revocation of a remedial driving course approval.