**Section 1800.5 Definitions**

a) Surety bond means an indemnity agreement in a sum certain payable to the Department, executed by the permittee as principal and which is supported by the performance guarantee of a corporation licensed to do business as a surety in Illinois.

b) Collateral bond means an indemnity agreement in a sum certain executed by the permittee as principal which is supported by the deposit with the Department of one or more of the following:

1) A cash account, which shall be the deposit of cash in one or more federally-insured or equivalently protected accounts, payable only to the Department upon demand, or the deposit of cash directly with the Department;

2) Negotiable bonds of the United States, a State, or a municipality, endorsed to the order of, and placed in the possession of, the Department;

3) Negotiable certificates of deposit, made payable or assigned to the Department and placed in its possession or held by a federally-insured bank;

4) An irrevocable letter of credit of any bank organized or authorized to transact business in Illinois, in another state of the United States, or in the United States by national charter, payable only to the Department upon presentation provided that if the bank does not have an office for collection in Illinois, there shall be a confirming bank designated with an office in Illinois that is authorized to accept, negotiate and pay the letter upon presentment in Illinois; or

5) Other investment-grade rated securities having a rating of AAA, AA, or A or an equivalent rating issued by a nationally recognized securities rating service, endorsed to the order of, and placed in the possession of the Department.

c) Self-bonding means an indemnity agreement in a sum certain executed by the applicant or by the applicant and any corporate guarantor and made payable to the Department, with or without separate surety.

(Source: Amended at 20 Ill. Reg. 15683, effective December 2, 1996)