



Bond Number: _____

Print below the full legal name and location of travel agency and DBA, if any; legal name must be identical to the legal name on the ARC application.

Full Legal Name: _____ DBA: _____

City & State: _____ Hereinafter called the Principal

Surety Name: _____

City & State of Surety: _____ Hereinafter called the Surety

KNOW ALL MEN BY THESE PRESENTS THAT

The Principal and Surety are held firmly bound unto Airlines Reporting Corporation (hereinafter called the Obligee) as agent for and on behalf of any carrier which is a party to the ARC Carrier Services Agreement with the Obligee contracting with the Principal, in the amount of U.S. Dollars (\$) _____ on and after the _____ day of _____ 20_____.

WHEREAS, The Principal has entered into or is desirous of entering into an agreement or agreements with the Obligee known as the Agent Reporting Agreement ("Agreement"¹) in the form prescribed by the Obligee, which agreement(s) is/are specifically incorporated herein and made a part hereof by reference;

AND WHEREAS, the Agreement provides in part that: (1) ARC traffic documents are supplied to the Principal in trust by ARC, and (2) the Surety shall cover all amounts owed by the Principal to the carriers or to ARC for tickets or other instruments of value issued on ARC traffic documents (in both paper or electronic versions) unless the Principal is otherwise relieved of liability for such amounts owed pursuant to the terms of the ARA.

NOW THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall duly comply with the provision of said Agreement with respect to all amounts owed to the Obligee, as in said Agreement provided, during the term of this bond as hereinafter provided, then this obligation to be void, otherwise to remain in full force and effect in law, subject however to the following limitations, conditions and definitions:

1. That the Obligee shall notify the Surety of any default of the Principal hereunder, at the earliest possible time following the discovery of such default and in any event no later than 90 days after such discovery by the Obligee, prior notice to any carrier notwithstanding, and such notice to the surety shall be deemed sufficient for all claims arising before the date of such notice although submitted thereafter;
2. That the Surety shall promptly notify the Obligee in writing of any changes in either the Principal or amount of bond set forth above. However, failure of the Surety to provide such notice shall not affect the validity of this bond;
3. That if the Surety shall so elect, this bond may be canceled by giving 30 days written notice to the Obligee. Said notice shall contain full name, city, and state where the Principal is located. The Surety, however, will remain liable for any default occurring during the period up to the expiration of said 30 days' notice and such 30-day period shall begin only upon receipt of said notice by the Obligee and such notice shall be sent certified/registered mail, or sent by priority delivery service, to the Obligee attention of "Bond Department";
4. In event of the payment by the Surety of any claims hereunder, the Surety shall be subrogated to all the rights of the Obligee with respect only to such claims paid and the Obligee shall execute or have executed whatever documents may be necessary in this regard;
5. That in no event shall the Surety be liable for a greater amount than that shown above;
6. That the Surety shall not be subject to any suit, action or proceeding hereunder instituted later than 6 months following the termination hereof unless, prior to or within such 6 month period, the Obligee has notified the Surety of a default of the Principal hereunder.

Surety Seal

Surety Name

Attorney in Fact Signature

Print Name

To be signed and sealed by an authorized representative of Surety. If Attorney in Fact, power of attorney must be attached.

¹ The term "Agent Reporting Agreement" ("Agreement") also includes, as applicable, the "Corporate Travel Department Reporting Agreement" ("CTDRA"); "Sovereign Entity Agent Reporting Agreement" ("SEARA") or a "Sovereign Entity CTD Reporting Agreement" ("SECTDRA").

A photocopy of the bond form may be used by your surety if it bears both an ORIGINAL seal and signature and is otherwise filled out as an ORIGINAL document.

FAQs

Q: How do I obtain a bond?

A: You must obtain a bond through a bonding company (surety) included on the current revision of Circular 570 issued by the United States Treasury Department, entitled "Surety Companies Acceptable on Federal Bonds". You may view and print a copy of the Federal Register Circular 570 on the Internet at http://fms.treas.gov/c570/c570_a-z.html

Q: What documentation should I use to submit the bond to ARC?

A: Your surety may use the form on the above page as is or a photocopy of same provided it bears both an Original surety seal and signature and is otherwise executed as an Original document. If the surety elects to use its own forms, the language therein must conform to that in the ARC bond form. In all instances, ARC must always have the Original bond in its possession.

Q: Can I provide multiple bonds totaling the full amount required by ARC?

A: Yes. An agent may provide the required coverage through multiple bonds or multiple letters of credit or multiple cash deposits or any combination thereof.

Q: Are there fields that require special attention?

In addition to the six standard clauses, the following fields in the bond form require special attention and must be correct otherwise it will cause a delay in processing your application.

1. Bond number
2. If you are an approved agent, please provide your home office agency code number (ARC number) to your surety for inclusion on your bond. This will enable ARC to identify and match your bond with your file. If you are a non-branch pending applicant or a pending applicant, request your surety to print the word "pending" in the space reserved for agency code number.
3. Your agencies correct full Legal Name. Those agents undergoing an Existing Agency with New Owners ownership change or legal name change must ensure that the bond states the Proposed Legal Name.
4. Airlines Reporting Corporation shown as the Obligee.
5. Correct amount - See, Section 30 of the Agent Reporting Agreement and/or Section D of the IAH for amount required.
6. Name of surety and Original surety seal.
7. Original signature of attorney-in-fact.
8. Original of power-of-attorney which references the authority of the individual signing as the attorney-in-fact to issue and sign the bond.