

2675.3155 SURETY BONDS.

Subpart 1. **Minimum coverage.** Each association shall maintain bond coverage with a bonding company acceptable to the commissioner of commerce, and such bond shall be in form known as "standard form No. 22" or its equivalent or in other form acceptable to the commissioner of commerce. The bonds shall cover each director, officer, employee, and agent who has control over or access to cash or securities of such association. Such coverage shall be maintained in the minimum amount set forth below, computed on a base consisting of the total assets of the savings association, as follows:

Base	Minimum Bond
Not over \$300,000	\$15,000 plus \$7,500 for each \$100,000 or fraction thereof over \$100,000
\$300,001 to \$1,000,000	\$45,000 plus \$15,000 for each \$100,000 or fraction thereof over \$400,000
\$1,000,001 to \$10,000,000	\$150,000 plus \$30,000 for each \$1,000,000 or fraction thereof over \$2,000,000
\$10,000,001 to \$30,000,000	\$450,000 plus \$60,000 for each \$5,000,000 or fraction thereof over \$15,000,000
\$30,000,001 to \$60,000,000	\$705,000 plus \$75,000 for each \$10,000,000 or fraction thereof over \$40,000,000
\$60,000,001 to \$100,000,000	\$945,000 plus \$90,000 for each \$15,000,000 or fraction thereof over \$70,000,000
\$100,000,001 and over	\$1,230,000 plus \$105,000 for each \$25,000,000 or fraction thereof over \$125,000,000

Subp. 2. **Deductible amounts.** No association shall be required to maintain such bond coverage in an amount greater than \$3,000,000. Such bond coverage may contain provision for a deductible amount from any loss which, except for such deductible provision, would be recoverable from the bonding company. A deductible shall not be in excess of the following amounts in relation to the following bond bases:

Base	Permissible Deductible
Under \$1,000,000	\$ 500
\$ 1,000,001 to \$ 10,000,000	1,000

10,000,001 to 50,000,000	1,500
50,000,001 to 100,000,000	2,500
100,000,001 to 150,000,000	5,000
150,000,001 to 200,000,000	7,500
200,000,001 and over	10,000

The permissible deductible amount specified in this paragraph may be increased by an association to a maximum of three times the above-specified permissible amount whenever losses under the bond exceed 50 percent of the premium payable for the current premium term. A deductible amount may be applied separately to one or more insuring agreements. The bond shall not provide that there may be more than one deductible amount from all losses caused by the same person or caused by the same persons acting in collusion or combination in cases in which such losses result from dishonesty of employees (as defined in the bond).

Subp. 3. **Coverage of service organizations.** If the accounting records of an association are maintained and serviced by a data processing organization, that organization, while performing such data processing services, must be covered as an employee under the association's bond.

A service corporation of an association shall maintain such bond coverages as may be appropriate considering the nature of its activities and the practice of other corporations engaged in similar activities.

Statutory Authority: *MS s 51A.42*

History: *L 1983 c 289 s 114 subd 1; L 1984 c 655 art 1 s 92*

Published Electronically: *September 14, 2007*