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BPM

Chapter 53

SURETY BONDS FOR CREDIT UNIONS

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| <p>Bkg 53.01 Directors to review surety bonds</p> | <p>Bkg 53.02 Minimum bond requirements</p> <p>Bkg 53.03 Surety bond schedule</p> |
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Bkg 53.01 Directors to review surety bonds. (1) The board of directors shall, at least semi-annually, carefully review the bond coverage in force in order to ascertain its adequacy.

(2) The following schedule shall be deemed as the minimum requirements only, and where circumstances warrant in the judgment of the directors, it shall be their duty to exceed the minimum requirements of the schedule to obtain adequate insurance coverage.

(3) The commissioner of banks may require additional coverage when, in his opinion, the bonds then executed are insufficient.

Bkg 53.02 Minimum bond requirements. The minimum requirements of section A of the following schedule must be blanket bond coverage exclusively for credit unions whose assets are less than \$26,250. Credit unions whose assets are \$26,250 and up to \$4,000,000 may elect a combination of blanket bond plus underlying position bond on the principal officer, but the blanket bond must at least be equal to the minimum coverage listed in section B, or equal to the maximum amount of currency and specie normally required to operate the office, whichever is greater. Credit unions whose assets are over \$4,000,000 must have blanket bond coverage equal to the minimum requirements of section A.

Bkg 53.03 Surety bond schedule. The following schedule shall be deemed as the minimum insurance requirements for credit unions:

| Assets | A Minimum Coverage | B Minimum Blanket Bond | C Position (Under- lying) |
|--------------------|--------------------------|---------------------------------|------------------------------------|
| Up to 5,000.00 | 1,000 | 1,000 | ** |
| 5,001- 8,749.99 | 1,500 | 1,500 | ** |
| 8,750- 11,249.99 | 2,000 | 2,000 | ** |
| 11,250- 13,749.99 | 2,500 | 2,500 | ** |
| 13,750- 16,249.99 | 3,000 | 3,000 | ** |
| 16,250- 18,749.99 | 3,500 | 3,500 | ** |
| 18,750- 21,249.99 | 4,000 | 4,000 | ** |
| 21,250- 26,249.99 | 5,000 | 5,000 | ** |
| 26,250- 30,000.99 | 6,000 | 5,000 | 1,000 |
| 30,001- 35,000.00 | 7,000 | 5,000 | 2,000 |
| 35,001- 40,000.00 | 8,000 | 5,000 | 3,000 |
| 40,001- 45,000.00 | 9,000 | 5,000 | 4,000 |
| 45,001- 50,000.00 | 10,000 | 5,000 | 5,000 |
| 50,001- 75,000.00 | 15,000 | 7,500 | 7,500 |
| 75,001-100,000.00 | 20,000 | 10,000 | 10,000 |
| 100,001-125,000.00 | 25,000 | 12,500 | 12,500 |
| 125,001-150,000.00 | 30,000 | 15,000 | 15,000 |
| 150,001-175,000.00 | 35,000 | 17,500 | 17,500 |
| 175,001-200,000.00 | 40,000 | 20,000 | 20,000 |
| 200,001- 225,000 | 44,000 | 22,000 | 22,000 |
| 225,001- 250,000 | 48,000 | 24,000 | 24,000 |
| 250,001- 275,000 | 51,000 | 25,500 | 25,500 |
| 275,001- 300,000 | 55,000 | 27,500 | 27,500 |
| 300,001- 350,000 | 63,000 | 31,500 | 31,500 |
| 350,001- 400,000 | 70,000 | 35,000 | 35,000 |
| 400,001- 450,000 | 73,000 | 36,500 | 36,500 |
| 450,001- 500,000 | 75,000 | 37,500 | 37,500 |
| 500,001- 600,000 | 80,000 | 40,000 | 40,000 |

BANKING DEPARTMENT

| Assets | A Minimum Coverage | B Minimum Blanket Bond | C Position (Under- lying) |
|----------------------|--------------------------|---------------------------------|------------------------------------|
| 600,001- 700,000 | 85,000 | 42,500 | 42,500 |
| 700,001- 800,000 | 90,000 | 45,000 | 45,000 |
| 800,001- 900,000 | 93,000 | 46,500 | 46,500 |
| 900,001- 1,000,000 | 95,000 | 47,500 | 47,500 |
| 1,000,001- 2,000,000 | 100,000 | 75,000 | 25,000 |
| 2,000,001- 3,000,000 | 125,000 | 100,000 | 25,000 |
| 3,000,001- 4,000,000 | 150,000 | 125,000 | 25,000 |
| 4,000,001- 5,000,000 | 150,000 | 150,000 | ** |
| 5,000,001- 7,000,000 | 175,000 | 175,000 | ** |
| 7,000,001-10,000,000 | 200,000 | 200,000 | ** |