

(4) AFTER A HEARING HELD UNDER TITLE 2 OF THIS ARTICLE, THE COMMISSIONER MAY SET THE AMOUNT OF THE BOND TO EXCEED \$500,000, UP TO 10% OF THE AVERAGE AMOUNT OF MONEY THAT THE ADMINISTRATOR EXPECTS TO HANDLE AT ANY ONE TIME FOR ALL THE PLANS THAT THE ADMINISTRATOR EXPECTS TO ADMINISTER DURING THE COMING YEAR.

(C) INDIVIDUAL OR BLANKET BOND.

SUBJECT TO APPROVAL BY THE COMMISSIONER, THE BOND MAY BE AN INDIVIDUAL BOND OR A BLANKET BOND THAT COVERS A GROUP OR CLASS.

(D) EXEMPTIONS FROM BOND REQUIREMENT.

(1) AN APPLICANT NEED NOT FILE EVIDENCE OF A BOND AS A CONDITION OF REGISTRATION OR RENEWAL OF REGISTRATION IF:

(I) THE APPLICANT ONLY ADMINISTERS PLANS UNDER WHICH BENEFITS ARE PAID ONLY FROM THE GENERAL ASSETS OF AN EMPLOYEE ORGANIZATION OR OF AN EMPLOYER; OR

(II) THE APPLICANT:

1. IS A CORPORATION ORGANIZED AND DOING BUSINESS UNDER THE LAWS OF THE UNITED STATES OR A STATE;

2. IS AUTHORIZED UNDER THE LAWS OF THE UNITED STATES OR A STATE TO EXERCISE TRUST POWERS OR TO ENGAGE IN BUSINESS AS AN INSURER;

3. IS SUBJECT TO SUPERVISION OR EXAMINATION BY A FEDERAL OR STATE AUTHORITY; AND

4. AT ALL TIMES HAS A COMBINED CAPITAL AND SURPLUS THAT EXCEEDS \$1,000,000 OR ANY GREATER AMOUNT SET BY REGULATION OF THE COMMISSIONER.

(2) THE COMMISSIONER MAY WAIVE THE REQUIREMENT FOR AN APPLICANT TO FILE EVIDENCE OF A BOND AS A CONDITION OF REGISTRATION OR RENEWAL OF REGISTRATION IF THE COMMISSIONER FINDS THAT:

(I) OTHER ARRANGEMENTS, INCLUDING PROVIDING LETTERS OF CREDIT OR SIMILAR INSTRUMENTS, WOULD BE ADEQUATE TO PROTECT THE INTERESTS OF PLAN PARTICIPANTS AND BENEFICIARIES; OR

(II) THE OVERALL FINANCIAL CONDITION OF THE APPLICANT WOULD BE ADEQUATE TO PROTECT THE INTERESTS OF PLAN PARTICIPANTS AND BENEFICIARIES.

(E) OTHER BONDING REQUIREMENTS.