

(II) THE EFFECTIVE PERIOD OF THE BOND SHALL BE AT LEAST 2 YEARS AND MAY BE LONGER IF THE SECRETARY SO ALLOWS.

(E) SAME — ADJUSTMENTS.

(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE SECRETARY MAY REQUIRE AN ADJUSTMENT IN THE AMOUNT OF A BOND THAT THE SECRETARY ALREADY HAS APPROVED, BUT THE NEW AMOUNT MAY NOT BE LESS THAN THE AVERAGE COST OF BENEFITS THAT ARE ATTRIBUTABLE TO COVERED EMPLOYMENT FOR THE EMPLOYING UNIT FOR THE PRECEDING 2 CALENDAR YEARS.

(2) THE AMOUNT OF A BOND AFTER ADJUSTMENT SHALL BE THE AVERAGE OF REIMBURSEMENT PAYMENTS THAT A NOT FOR PROFIT ORGANIZATION MADE IN EACH OF THE 2 PRECEDING CALENDAR YEARS, BUT THE AMOUNT MAY NOT EXCEED THE MAXIMUM RATE OF CONTRIBUTION UNDER THIS SUBTITLE TIMES THE TAXABLE WAGE BASE OF THE NOT FOR PROFIT ORGANIZATION FOR THE LAST CALENDAR YEAR.

(3) IF THE SECRETARY REQUIRES AN ADJUSTMENT UNDER THIS SUBSECTION, THE SECRETARY SHALL MAIL NOTICE OF THE REQUIRED ADJUSTMENT TO THE NOT FOR PROFIT ORGANIZATION AT ITS LAST KNOWN ADDRESS OR OTHERWISE DELIVER NOTICE.

(4) IF THE SECRETARY REQUIRES AN INCREASE IN THE AMOUNT OF A BOND, THE NOT FOR PROFIT ORGANIZATION SHALL SUBMIT THE ADJUSTED BOND TO THE SECRETARY WITHIN 30 DAYS AFTER THE DATE THAT NOTICE OF THE REQUIRED ADJUSTMENT WAS MAILED OR OTHERWISE DELIVERED TO THE NOT FOR PROFIT ORGANIZATION.

(F) SAME — LIABILITY OF SURETY.

IF A NOT FOR PROFIT ORGANIZATION THAT IS COVERED BY A BOND FAILS TO PAY THE FULL AMOUNT OF A REIMBURSEMENT PAYMENT WHEN DUE, TOGETHER WITH ANY APPLICABLE INTEREST AND PENALTIES REQUIRED UNDER THIS SUBTITLE, THE SURETY SHALL BE LIABLE ON THE BOND TO THE EXTENT OF THE BOND AS IF THE SURETY WAS THE NOT FOR PROFIT ORGANIZATION.

(G) SECURITY OTHER THAN BOND — ESCROW ACCOUNT.

(1) THE SECRETARY SHALL DEPOSIT MONEY OR OTHER SECURITY SUBMITTED UNDER THIS SECTION IN AN ESCROW ACCOUNT.

(2) WHEN A NOT FOR PROFIT ORGANIZATION IS NO LONGER LIABLE FOR REIMBURSEMENT PAYMENTS, THE SECRETARY SHALL RETURN TO IT THE COLLATERAL OTHER THAN A BOND LESS ANY DEDUCTION ALLOWED IN THIS SECTION.