

683.

To register as an administrator an applicant must present evidence satisfactory to the Commissioner that the applicant:

(2) Pursuant to [§ 664] § 684 of this subtitle, has:

(i) Obtained the required [surety] bond; or

(ii) Qualified for 1 of the applicable exemptions from the bonding requirement; and

(3) Has satisfied any applicable examination requirements adopted by the Commissioner under [§ 669(b)] § 689(B) of this subtitle.

684.

(a) Except as provided in subsection (d) of this section, an applicant for an initial registration or for the renewal of a registration shall file evidence of a [surety] bond with each original application and any renewal application for the registration.

(b) The [surety] bond shall:

(1) Provide protection to the plans under which the administrator acts as administrator against loss by reason of acts of fraud or dishonesty on the part of the administrator, directly or through connivance with others.

(2) Be issued by a corporate surety company that:

(i) Is authorized to do business in this State; and

(ii) Is an acceptable surety on federal bonds under authority granted by the Secretary of the Treasury pursuant to §§ 6 through 13 of Title 6, United States Code.

(c) (1) (i) Subject to the provisions of this section, the amount of the [surety] bond shall be determined at the time the application is filed.

(ii) In determining the amount of the [surety] bond, the following shall be considered:

1. The average amount of funds handled at any one time during the immediately preceding calendar year by the administrator and any predecessor of the administrator; and

2. The average amount of funds expected to be handled by the administrator at any one time during the current calendar year.

(2) The amount of the [surety] bond:

(i) May not be less than 10% of the average amount of funds that the administrator expects to handle at any one time for all the plans expected to be administered by the administrator during the coming year; and