

(ii) Subject to paragraph (3) of this subsection, may not be less than \$5,000 nor more than \$500,000.

(3) After a hearing held under Subtitle 2 of this article, the Commissioner may set the amount of the [surety] bond in excess of \$500,000, up to 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.

(4) Subject to the approval of the Commissioner, the [surety] bond may be:

- (i) An individual [surety] bond; or
- (ii) A blanket [surety] bond that covers a group or class.

(d) (1) An applicant is not required to file evidence of a [surety] bond as a condition of registration if the applicant:

- (i) Is a corporation organized and doing business under the laws of the United States or of any state;
- (ii) Is authorized under the laws of the United States or of any state to exercise trust powers or to engage in business as an insurer;
- (iii) Is subject to supervision or examination by a federal or State authority; and
- (iv) At all times has a combined capital and surplus in excess of \$1,000,000 or any greater amount established by regulations adopted by the Commissioner.

[(2) The exemption provided under paragraph (1) of this subsection only applies to a bank or other financial institution whose deposits are not insured by the Federal Deposit Insurance Corporation if the bank or other financial institution meets deposit insurance requirements under State law which the Commissioner determines are at least equivalent to those imposed on similar financial institutions under federal law.]

[(3)](2) The Commissioner may exempt an applicant from the requirement of subsection (a) of this section if the Commissioner finds that:

(i) Other arrangements including, without limitation, the provision of 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.

[(4)](3) An applicant is not required to file evidence of a [surety] bond as a condition of registration if the applicant only administers plans under which the only assets from which benefits are paid are the general assets of an employee organization or of an employer.