

(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

(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