**Section 904.50 Bond Requirements**

a) All companies shall procure and maintain in force surety bonds on employees, officers or positions outlined in this Part and in accordance with an amount not less than the minimum amount shown as guidance provided in the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook 2018 Edition (1100 Walnut St., Ste. 1500, Kansas City MO 64016-2277) at Exhibit R, entitled "Suggested Minimum Amounts of Fidelity Insurance" (no later editions or amendments). All surety bonds shall be written on a form that provides coverage on a discovery basis. All such bonds shall contain a provision that no cancellation or termination of the bond, whether by or at the request of the insured or by the underwriter, shall take effect prior to the expiration of 90 days after written notice of cancellation or termination has been filed with the Department unless an earlier date of cancellation or termination is approved by the Department.

b) Surety bonds required by this Section shall include all employees, officers or positions for the following perils, which may be covered under separate policies:

1) Dishonesty of employees and officers;

2) Robbery, burglary, larceny, theft, false pretense, holdup, misplacement, mysterious disappearance, and damage or destruction while property is in any bank or any recognized place of safe deposit, or in transit; and

3) Forgery or alteration.

c) Surety bonds for any company shall not be procured by the company from affiliated and/or subsidiary companies substantially under the same management and control as the company being bonded.

(Source: Amended at 42 Ill. Reg. 20101, effective October 29, 2018)