



ADMINISTRATIVE RULES OF MONTANA

6.6.6601 FIDELITY BOND

- (1) The amount of fidelity bond coverage required by 33-3-307, MCA, for officers of a domestic insurer must be calculated as follows:
 - (a) The sum of the calculations in (i) and (ii) equals the amount of the insurer's exposure index:
 - (i) 5% of the insurer's admitted assets, as reported in the insurer's most recent annual statement; plus
 - (ii) 10% of the insurer's gross income. Gross income equals the total of direct and assumed premiums written plus investment income collected, as reported in the insurer's most recent annual statement.
 - (b) The amount of the exposure index, as calculated in (1) (a) , determines the acceptable range of the amount of the required fidelity bond, according to the following table:

<u>Exposure Index</u>		<u>Amount of Bond</u>	
\$1,000 -	\$25,000	\$15,000 -	\$25,000
25,000 -	125,000	25,000 -	50,000
125,000 -	250,000	50,000 -	75,000
250,000 -	500,000	75,000 -	100,000
500,000 -	750,000	100,000 -	125,000
750,000 -	1,000,000	125,000 -	150,000
1,000,000 -	1,375,000	150,000 -	175,000
1,375,000 -	1,750,000	175,000 -	200,000
1,750,000 -	2,125,000	200,000 -	225,000
2,125,000 -	2,500,000	225,000 -	250,000
2,500,000 -	3,325,000	250,000 -	300,000
3,325,000 -	4,175,000	300,000 -	350,000
4,175,000 -	5,000,000	350,000 -	400,000
5,000,000 -	6,075,000	400,000 -	450,000
6,075,000 -	7,150,000	450,000 -	500,000
7,150,000 -	9,275,000	500,000 -	600,000
9,275,000 -	11,425,000	600,000 -	700,000
11,425,000 -	15,000,000	700,000 -	800,000
15,000,000 -	20,000,000	800,000 -	900,000

20,000,000 -	25,000,000	900,000 -	1,000,000
25,000,000 -	50,000,000	1,000,000 -	1,250,000
50,000,000 -	87,500,000	1,250,000 -	1,500,000
87,500,000 -	125,000,000	1,500,000 -	1,750,000
125,000,000 -	187,500,000	1,750,000 -	2,000,000
187,500,000 -	250,000,000	2,000,000 -	2,250,000
250,000,000 -	333,325,000	2,250,000 -	2,500,000
333,325,000 -	500,000,000	2,500,000 -	3,000,000
500,000,000 -	750,000,000	3,000,000 -	3,500,000
750,000,000 -	1,000,000,000	3,500,000 -	4,000,000
1,000,000,000 -	1,250,000,000	4,000,000 -	4,500,000
1,250,000,000 -	1,500,000,000	4,500,000 -	5,000,000

Authorizing statute(s): Sec. 33-3-307, MCA

Implementing statute(s): Sec. 33-3-307, MCA

History: NEW, 1997 MAR p. 2180, Eff. 12/2/97.