

3400 Preneed Funeral Contracts

3402 Surety Bond or Irrevocable Letter of Credit

5 Del.C. §§3409 and 3411
Effective Date: August 11, 2014

1.0 Bond or Irrevocable Letter of Credit Required

Each licensee shall file with the State Bank Commissioner (the "Commissioner") an original corporate surety bond or an irrevocable letter of credit in a form satisfactory to the Commissioner in accordance with 5 Del.C. §3411. The minimum amount of the surety bond or irrevocable letter of credit is based on the factors identified in that section.

18 DE Reg. 159 (08/01/14)

2.0 Amount of Bond or Irrevocable Letter of Credit

- 2.1 Each licensee shall obtain a surety bond or irrevocable letter of credit based upon the maximum dollar value of the trust funds it held as a trustee during the twelve month period ending October 31 that precedes the calendar year for which the bond or irrevocable letter of credit is effective. A licensee who obtains a surety bond that is effective for more than one year or an irrevocable letter of credit shall annually review the amount of the surety bond or letter of credit, to ensure that the minimum required amount is maintained. The minimum required amount of the surety bond or irrevocable letter of credit shall be maintained according to the following table:

Maximum Dollar Value of Trust Funds Held by Licensee	Minimum Required Amount of Surety Bond or Irrevocable Letter of Credit
not more than \$50,000	\$50,000
\$50,001 - \$75,000	\$75,000
\$75,001 - \$100,000	\$100,000
\$100,001 - \$125,000	\$125,000
\$125,001 - \$150,000	\$150,000
\$150,001 - \$175,000	\$175,000
\$175,001 and over	\$200,000

- 2.2 Subject to the \$200,000 cap, the Commissioner may require a licensee to obtain a larger surety bond or irrevocable letter of credit based upon the licensee's individual circumstances.

11 DE Reg. 693 (11/01/07)

18 DE Reg. 159 (08/01/14)