48.13 CONDITIONS OF BONDS.

Subdivision 1. **Securities.** If a bond is given, it shall be in favor of the bank and shall have one corporate surety, which shall be a solvent insurance corporation in good standing authorized to do business in Minnesota, or at least five individual sureties, not one of whom shall be an officer, director, or stockholder of the bank, and each of whom shall justify in a sum equal to the penalty of the bond and, in addition thereto, each individual surety shall furnish to the bank, in connection with the bond, a verified financial statement showing solvency and responsibility, which statement shall be renewed and revised annually by each surety. If a contract of insurance is secured, it shall be in favor of the bank and shall be executed by some insurance company possessing the qualifications heretofore specified. No cancellation or termination at the request of the underwriter of a bond or contract of insurance required by section 48.12 shall be effective unless the underwriter gives in advance at least 60 days' written notice by registered mail to the commissioner of commerce.

Subd. 2. **Securities in lieu of bond.** With the prior written approval of the commissioner and in lieu of the corporate surety or five individual sureties, there may be posted a deposit in securities of a form and amount acceptable to the commissioner. These funds are under the control of the commissioner for the purposes of section 48.12. All deposits must remain in the custody of the commissioner of management and budget and pursuant to section 16A.271 may be released only upon order from the commissioner. These control and custody requirements must not prevent any interest or dividend earnings accruing on the funds posted to be paid over to pledgor.

History: *(7699-2) 1925 c 351 s 2; 1984 c 576 s 10; 1Sp1985 c 13 s 182; 1986 c 444; 1987 c 384 art 2 s 10; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109*