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CHAMBER ACTION

<u>Senate</u>   <u>House</u>

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11 Senator Bennett moved the following amendment:

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13   **Senate Amendment (with directory and title amendments)**

14   On page 2, between lines 2 and 3,

15

16 insert:

17   (4) A fiscal intermediary services organization, as

18 described in subsection (3), shall secure and maintain a

19 surety bond on file with the office, naming the intermediary

20 as principal. The bond must be obtained from a company

21 authorized to write surety insurance in the state, and the

22 office shall be obligee on behalf of itself and third parties.

23 The penal sum of the bond may not be less than 5 percent of

24 the funds handled by the intermediary in connection with its

25 fiscal and fiduciary services during the prior year or

26 $250,000, whichever is less. The minimum bond amount must be

27 $10,000. The condition of the bond must be that the

28 intermediary shall register with the office and shall not

29 misappropriate funds within its control or custody as a fiscal

30 intermediary or fiduciary. The aggregate liability of the

31 surety for any and all breaches of the conditions of the bond

1   may not exceed the penal sum of the bond. The bond must be

2   continuous in form, must be renewed annually by a continuation

3   certificate, and may be terminated by the surety upon its

4   giving 30 days' written notice of termination to the office.

5   <u>This subsection does not apply to a fiscal intermediary</u>

6   <u>services organization that is owned, operated, or controlled</u>

7   <u>by a third-party administrator holding a certificate of</u>

8   <u>authority under part VII of chapter 626,</u>

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11 ==== D I R E C T O R Y   C L A U S E   A M E N D M E N T ====

12 And the directory clause is amended as follows:

13   On page 1, line 15, delete that line

14

15 and insert:

16   Section 1. Paragraph (b) of subsection (2), subsection

17 (4), and

18

19

20 =============== T I T L E   A M E N D M E N T ===============

21 And the title is amended as follows:

22   On page 1, line 8, after the semicolon

23

24 insert:

25   providing an exception from the requirement to

26   obtain a bond;

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