**Section 1095.210Surety Bond**

Each school shall provide evidence to the Board of a surety bond to protect the interests of the students. *The amount of the bond must be sufficient to provide for the repayment of full tuition to all students enrolled at the institution in the event of closure of the institution. Evidence of the continuation of the bond must be filed annually with the Board*. (Section 55 of the Act)

a) A school shall supply the Board with a copy of a fully executed, continuous surety bond written by a company authorized to do business in Illinois in an amount sufficient to provide cumulative unearned prepaid tuition for the Illinois students enrolled at any one time. The amount shall be no less than $10,000.

b) The school shall submit its projection of greatest amount of unearned prepaid tuition with its initial application for a certificate and the actual amount, based upon the record of the previous fiscal year, with each succeeding application.

c) Should the Board determine, after applying the provisions of this Section, that the school must increase the amount of bond coverage, the school shall file a bond rider acknowledging increased coverage within 30 calendar days after receipt of the Board's notice requiring the increase.

d) In the event of cancellation of the bond by a bonding company, the school shall furnish a fully executed replacement bond to the Board within 30 calendar days after the Board's receipt of the notice of cancellation.

e) The bonding company shall, on the Board's request, provide reasons for bond termination within 30 calendar days after the Board's receipt of notice of the termination.

f) Termination of the school's surety bond coverage without a replacement provided to the Board prior to the cancellation date will result in revocation of the school's permit of approval.

g) When the school provides instruction at extensions, the surety bond or riders attached to the bond shall indicate coverage for all Illinois students at all sites where instruction is or will be given.

(Source: Amended at 42 Ill. Reg. 151, effective December 19, 2017)