Illinois Department of Insurance
320 W. Washington Street
Springfield, IL 62767-0001

Preferred Provider Program Administrator Bond/Fiduciary Account Requirement

Instructions:

Bond/Fiduciary Account Requirement: Registrations of Preferred Provider Program Administrators who will handle money for purposes of payment for providers services must be accompanied by:

1. A surety bond in an amount equal to not less than 10% of the total estimated annual reimbursements under the program. **If more than one program is administered, separate bonds may be posted for each program or one bond of indemnity may be posted for all. Administrators posting a bond or bonds must also submit certification of the total estimated annual reimbursements under the Preferred Provider Program (or programs if separate bonds are posted), supported by methodology used to arrive at such figures.**

   The surety bond(s) must contain:

   - The name of the principal as it appears on the registration form;
   - The principal's address as it appears on the registration form;
   - The surety company's name and company number;
   - The bond number;
   - Original signatures of the Illinois resident agent, principal, the surety company's officer or attorney-in-fact.

2. Or, **in lieu of bond**, the Preferred Provider Program Administrator may establish one or more fiduciary accounts, separate and apart from any and all other accounts, for the receipt and disbursement of funds for reimbursement of providers of services under the program.

Location of Account _____

_____

Account Identification No. _____

(In the event that **both** bonds and fiduciary accounts are established, disclose information about both as requested above.)

Bond(s)	Methodology	Fiduciary Account(s)	Loc/ID #

(Do not write in these spaces.)

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Preferred Provider Program Administrator Bond

Co. Code No. _____

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS, THAT I/we _____

of_____, a Preferred Provider

Program Administrator, as principal and _____
a company duly authorized to transact surety business in the State of Illinois, as Surety, are held and firmly bound unto the People of the State of Illinois and payable to any party injured under the terms and conditions of this bond, in the full and penal sum of _____ ($) dollars lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that the above bounded Principal is now or is about to register in order to engage or continue in the business of a Preferred Provider Program Administrator, as provided by the Illinois Insurance Code, as amended.

NOW, THEREFORE, if the said Principal shall, while this bond is in force and effect make a full accounting and due payment to the person or company entitled thereto of funds coming into his possession as an incident to Preferred Provider Program Administrator transactions, and shall comply with all the provisions of Article XX1/2 of the Illinois Insurance Code, as amended; then this obligation shall be null and void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond shall be continuous in form and may be terminated by the Surety, upon its giving thirty (30) days notice of its intention of termination, such notice to be filed with the Director, Department of Insurance, Springfield, Illinois.

IN WITNESS WHEREOF, the said principal has hereunto set his hand and seal, and the said surety has caused these presents to be signed by its duly authorized officers and its corporate seal to be hereto affixed this _____ day of _____, 19_____.

Countersigned by:

_____
(Signature of Appointed Illinois Producer)

At _____, Illinois

_____
(Bonding Company)

_____
(Signature of Company Officer)

_____
(Signature of Attorney-in-Fact)

_____
***(Signature of Principal)–Social Security #**

_____

_____

***If a Corporation, signature and social security number of an officer.**

Important Notice: Under the Illinois Revised Statutes' insurance laws, disclosure of this information is **voluntary**; however, failure to comply may result in this form not being processed. This form has been approved by the Forms Management Center.