



STATE OF INDIANA

COMMISSION ON PROPRIETARY EDUCATION

Jeff Weber, Commissioner

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FORMULA FOR INSTITUTIONAL BOND

According to Indiana Code 21-17-3-6, all postsecondary proprietary education institutions shall secure a surety bond of at least twenty-five thousand dollars (\$25,000). The formula for calculating the required amount of the Institutional bond is:

1. A postsecondary proprietary educational institution that has no annual gross tuition charges assessed for the previous year shall secure a surety bond in the amount of twenty-five thousand dollars (\$25,000).
2. If at any time the postsecondary proprietary educational institution's projected annual gross tuition charges are more than two hundred fifty thousand dollars (\$250,000), the institution shall secure a surety bond in the amount of fifty thousand dollars (\$50,000).
3. For a postsecondary proprietary educational institution beginning operation after September 30, 2004, the commission, in addition to requiring contributions to the Career College Student Assurance Fund, shall require the postsecondary proprietary educational institution to submit a surety bond in an amount determined by the commission for a period that represents the number of quarters required for the fund to initially accumulate one million dollars (\$1,000,000) as determined under IC 21-17-3-6.
4. Each bond must contain the name of the institution on the line designated by "Principal" and signed by an authorized official of the institution on the line designated "Chief Administrative Officer". It must also contain the name of the surety company on the line designate "Surety", be signed by the Attorney-in-Fact, and sealed with the insurance company seal. All bonds must be executed on the forms designated by the commission. Bonds submitted to the commission must be the original document. No photocopy will be accepted.

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