**Section 451.230 School Surety Bond**

a) A school shall supply the Superintendent with the original copy of a fully executed, continuous surety bond written by a company authorized to do business in Illinois in the sum of no less than $10,000.

1) In the event that the school will have unearned prepaid tuition for Illinois students at any one time in an amount which exceeds $10,000, it shall increase the amount of its bond by $10,000 increments up to a maximum of $100,000 so that the sum of the bond always exceeds the amount of the unearned prepaid tuition.

2) If unearned prepaid tuition for Illinois students in the possession of the school will exceed $100,000, the bond shall be in a sum at least equal to the greatest projected amount of unearned prepaid tuition which will be in the school's possession at any one time.

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 Superintendent 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 thirty (30) calendar days of receipt of the Superintendent's notice requiring such 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 Superintendent within ninety (90) calendar days of the Superintendent's receipt of the notice of cancellation.

e) The bonding company shall on the Superintendent's request provide reasons for bond termination within thirty (30) calendar days of the Superintendent's receipt of notice of such termination.

f) Termination of the school's surety bond coverage shall be grounds for revocation of its certificate of approval.

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