



COLORADO
Department of
Regulatory Agencies
Division of Banking

August 15, 2024

STATE BANKING BOARD
3 CCR 701-6 TC16
PERTAINING TO TITLE 11, ARTICLE 109, SECTION 104
COLORADO REVISED STATUTES

STATEMENT OF BASIS, PURPOSE AND SPECIFIC STATUTORY AUTHORITY

Statutory Basis

The statutory basis for Banking Board Rule 3 CCR 701-6 TC16 is found in Section 11-109-104(1)(f) of the Colorado Revised Statutes.

Purpose of this Rulemaking

The purpose of this rule is to establish the minimum amounts of bond and error and omissions insurance a trust company must maintain.

The Colorado Division of Banking (Division) finds that the proposed amendments this rule are necessary as follows:

- Remove the term surety bond and replace it with fidelity bond as a fidelity bond is more appropriate for a trust company.
- Adjust the minimum bond amount from the initial 1993 amount, \$1,000,000, to equivalent dollar levels in 2024, \$2,000,000.
- Require that the trust company must conduct a risk analysis when determining the amount of the fidelity bond and errors and omissions insurance.
- Require that the corporate insurance or bonding company must be authorized to do business in Colorado.
- Add a one year phase-in period to allow trust companies time to comply with the new minimum fidelity bond requirement.

Rulemaking Authority

- 11-101-102. Declaration of policy.
11-102-104. Powers and duties of the banking board.
11-109-104. Powers - banking board - commissioner.

