
29 C.F.R. § 2580.412-19

Term of the bond, discovery period, other bond clauses.

- (a) *Term of the bond.* The amount of any required bond must in each instance be based on the amount of funds “handled” and must be fixed or estimated at the beginning of the plan's reporting year, that is, as soon after the date when such year begins as the necessary information from the preceding reporting year can practicably be ascertained. This does not mean, however, that a new bond must be obtained each year. There is nothing in the Act that prohibits a bond for a term longer than one year, with whatever advantages such a bond might offer by way of a lower premium. However, at the beginning of each reporting year the bond shall be in at least the requisite amount. If, for any reason, the bond is below the required level at that time, the existing bond shall either be increased to the proper amount, or a supplemental bond shall be obtained.

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