

534.602 Indemnity bonds.

1. *Domestic companies — bonds — custody.* The officers and employees of a domestic association who sign or endorse checks or handle funds or securities of an association shall give bonds or fidelity insurance as the board of directors may require; and no such officer shall be deemed qualified to enter upon the duties of the office until the officer's bond is approved by the board of directors and by the superintendent. The bonds shall be deposited and filed with the superintendent. The associations may in connection with obtaining bonds or insurance acquire and hold membership in mutual insurance or bonding companies. No such bond shall be terminated or canceled because of failure to pay premium or for any other cause until after ten days' written notice to the superintendent of intention to cancel the bond.

2. *Additional bonds.* All such bonds shall be increased or additional securities required by the board of directors or the superintendent when it becomes necessary to protect the interests of the association or its members.

3. *Disqualified sureties.* No director shall be accepted as surety on such bonds, and no person shall be accepted as surety on the bond of more than one office of said association.

4. *Liability of directors.* The directors shall be individually liable for loss to the association or its members caused by their failure to require a compliance with the provisions of this section.

[C97, §1895; C24, 27, 31, 35, 39, §9319 – 9322; C46, 50, 54, 58, §534.14 – 534.17; C62, 66, 71, 73, 75, 77, 79, 81, §534.7]

C85, §534.602

88 Acts, ch 1158, §87