If you are filing a petition for Letters of Administration, you may be required to obtain a bond.

If you petition the Court to become the Administrator of an estate, the Court may require you to obtain an “estate bond” before you receive Letters of Administration (“Letters”). An estate bond may also be referred to as a “surety bond” or “administrator bond.”

<u>What is an estate bond?</u>

An estate bond is a form of financial protection often required by the Surrogate’s Court before someone is appointed as the Administrator of an estate.

<u>How does a bond protect distributees/creditors?</u>

If the Administrator fails to fulfill their duties, the distributees or creditors can be compensated by the bond company. The bond company will then seek reimbursement from the Administrator.

Again, estate bonds are commonly required in Administration proceedings. ***Requiring a bond is a standard safeguard, not an accusation of wrongdoing.***

<u>How will I know if a bond is required?</u>

A Court decree will indicate whether an estate bond is required and, if so, the amount of the bond.

<u>How do I obtain a bond?</u>

1. You apply for a bond through a surety or insurance company
    a. Search for an estate bond company.
        i. **<u>Note: The bond company must be approved for New York estate matters.</u>**
    b. The surety company performs a background check and a credit check to determine eligibility.
    c. Like an insurance policy, you will be required to pay a premium (typically, once a year).
2. The bond amount is set by the Court in the decree
3. Submit the original bond to the Court for clerk review.
4. Letters will be issued once the bond is approved for filing

While the Court is not permitted to recommend, endorse, or suggest a specific bond company, the U.S. Treasury Department maintains a list of certified bond companies. The list is available at the following website:

https://www.fiscal.treasury.gov/surety-bonds/list-certified-companies.html

<u>I’ve distributed the estate assets. How do I cancel the bond?</u>

Surety companies vary in their procedures for cancelling or “discharging” a bond. Sometimes, bond companies require a “court order” before discharging a bond. In this instance, the Administrator may have to file a “Petition to Discharge a Bond,” with the Bronx County Surrogate’s Court’s Accounting Department. Consider inquiring about the procedure for cancelling a bond when shopping for a bond company.

Should you have further questions regarding estate bonds, consider speaking with a New York estate attorney.