SURETY ONE, INC.

The Money Transmitter Surety Bond

A Concise Guide to Required Bond Amounts

The Fifty States · Puerto Rico · The United States Virgin Islands · Guam

Why the Bond Exists

Every United States jurisdiction that licenses money transmission conditions that license on the delivery of a corporate surety bond. The instrument is a third party guarantee, running to the state regulator for the benefit of consumers, that the licensee will faithfully receive, safeguard and transmit customer funds in conformity with the governing money transmission statute. It is not insurance for the licensee. A claim paid by the surety is subject to full indemnification by the principal.

Bond penalties vary dramatically, from ten thousand dollars in the most modest schedules to seven figures in California, Colorado, Kentucky, New Jersey and Pennsylvania. Many jurisdictions scale the penalty to transmission volume, outstanding liability or the number of authorized delegate locations, so the amount an applicant posts at licensure rarely remains static over the life of the license.

The Modernization Act Formula

A majority of legislatures have now enacted the Model Money Transmission Modernization Act promulgated by the Conference of State Bank Supervisors. Under the model act the required security equals the greater of $100,000 or one hundred percent of the licensee's average daily money transmission liability in the state, calculated over the most recently completed three month period, capped at $500,000. A licensee whose tangible net worth exceeds ten percent of total assets may instead maintain a flat $100,000 bond. Entries in the schedule below labeled “Modernization Act formula” follow this construction. Several adopting states retain the formula but modify its floor or its cap; the schedule states each jurisdiction's own figures.

The schedule that follows states the security requirement applicable to each of the fifty states, the Commonwealth of Puerto Rico, the United States Virgin Islands and Guam as of November 2026.

Required Bond Amounts by Jurisdiction

JURISDICTION	SECURITY REQUIREMENT
Alabama	The greater of $100,000 or a formula tied to average daily outstanding transmission obligations; the Commission may require up to $5,000,000
Alaska	$25,000 plus $5,000 per location (additions capped at $125,000); may be increased to $500,000
Arizona	Modernization Act formula with a $25,000 floor: the greater of $25,000 or 100% of average daily liability, to a maximum of $500,000
Arkansas	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
California	$250,000 to $7,000,000 for money received for transmission; a separate, cumulative $500,000 to $2,000,000 bond for payment instrument and stored value activity
Colorado	The greater of $250,000 or 100% of average daily liability, to a maximum of $1,000,000
Connecticut	$300,000, $500,000 or $1,000,000 by weekly transmission volume; virtual currency amounts set by the Commissioner
Delaware	$25,000 plus $5,000 per additional location, to a maximum of $250,000
Florida	Set by rule between $50,000 and $2,000,000
Georgia	$250,000 minimum, subject to increase to $2,000,000
Hawaii	$100,000 for the first twelve months of licensure; may be increased to $500,000
Idaho	$10,000 plus $5,000 per additional location or authorized representative, to a maximum of $500,000
Illinois	The greater of $100,000 or 100% of average daily liability, to a maximum of $2,000,000
Indiana	The greater of $300,000 or average daily liability for the most recent quarter, to a maximum of $500,000
Iowa	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
Kansas	The greater of $200,000 or 100% of average daily liability, to a maximum of $1,000,000
Kentucky	$500,000 minimum, subject to increase to $5,000,000
Louisiana	$100,000 minimum, up to $500,000; the Commissioner may require up to $1,000,000
Maine	$100,000
Maryland	The greater of $150,000 or 100% of average daily liability, to a maximum of $2,000,000
Massachusetts	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
Michigan	$500,000 plus $10,000 per additional location or authorized delegate, to a maximum of $1,500,000
Minnesota	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
Mississippi	Modernization Act formula; the Commissioner may require up to $1,000,000

JURISDICTION	SECURITY REQUIREMENT
Missouri	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
Montana	No money transmitter license, therefore no bond requirement
Nebraska	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
Nevada	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
New Hampshire	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
New Jersey	Set by the Commissioner between $100,000 and $1,000,000; foreign money transmitters follow a volume schedule from $25,000
New Mexico	The greater of $300,000 or 1% of annual transmission volume, to a maximum of $2,000,000
New York	Fixed by the Superintendent for each licensee; the statute names no dollar amount, and $500,000 or more is common
North Carolina	$150,000 base, adjusted by North Carolina volume in steps to a maximum of $250,000
North Dakota	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
Ohio	$300,000 minimum, subject to increase to $2,000,000
Oklahoma	$50,000 plus $10,000 per authorized delegate location, to a maximum of $500,000
Oregon	$25,000 plus $5,000 per additional location or authorized delegate
Pennsylvania	$1,000,000; additional amounts may be required based on outstanding transmission balances
Rhode Island	$50,000
South Carolina	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
South Dakota	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
Tennessee	The greater of $50,000 or 100% of average daily liability, to a maximum of $800,000
Texas	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
Utah	$50,000
Vermont	The greater of $100,000 or 100% of average daily liability, to a maximum of $2,000,000
Virginia	The greater of $100,000 or 100% of average daily liability, to a maximum of $1,000,000 (Modernization Act, effective July 1, 2026)
Washington	$10,000 to $550,000, indexed to the prior year's transmission volume

JURISDICTION	SECURITY REQUIREMENT
West Virginia	$300,000 for money transmission, increased by 1% of annual West Virginia volume over $10,000,000, to a maximum of $1,000,000
Wisconsin	Modernization Act formula: the greater of $100,000 or 100% of average daily money transmission liability, to a maximum of $500,000
Wyoming	The greater of $10,000 or 2.5 times outstanding payment instruments, to a maximum of $500,000
Puerto Rico	$500,000 for a single office, plus $10,000 per additional office or authorized agent
U.S. Virgin Islands	$50,000 plus $10,000 per location; the Director may increase the amount to $1,000,000
Guam	$50,000

Amounts reflect statutes, administrative rules and regulator schedules in effect as of November 2026. Several jurisdictions are in active transition to the model act, and every regulator retains discretion to require security above the stated floor. Confirm the operative requirement with the regulator, or with Surety One, before filing.

Underwriting Considerations

Money transmitter bonds occupy the financial guarantee end of the commercial surety spectrum, and sureties underwrite them accordingly. Carriers examine audited financial statements, tangible net worth relative to outstanding transmission liability, the permissible investment portfolio, the strength of the anti money laundering program and the character and experience of principals. Premiums for well qualified applicants generally range from one to three percent of the bond penalty per annum. Applicants with elevated volume, digital asset exposure or limited operating history should anticipate closer scrutiny, and in some cases collateral, particularly at the seven figure penalties attainable in California, Colorado, Kentucky, Pennsylvania and New York, and the half million dollar floor in Puerto Rico.

Because a majority of jurisdictions now accept or require electronic surety bonds through the NMLS, coordination between the licensee, the surety and the regulator at renewal is essential. Bonds written under the model act formula must be trued up as average daily liability grows, and a lapse in security is grounds for license suspension in every jurisdiction surveyed.

PLACEMENT WITH SURETY ONE

Surety One, Inc. underwrites money transmitter, money services business and check seller bonds in all fifty states, Puerto Rico, the United States Virgin Islands and Guam, including large penalty obligations, accelerated filings through the NMLS electronic surety bond system, and accounts declined by standard markets. Financial statement review is performed in house, in English or Spanish, and quotation is free of charge.

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