**Section 326.120 Certificate of Deposit as a Financial Assurance Arrangement**

If a licensee elects to satisfy the financial assurance requirements of Section 326.90 of this Part by filing a certificate of deposit, the certificate of deposit supporting this guarantee shall conform to the following requirements:

a) The institution issuing the certificate of deposit shall be an entity that has the authority to issue certificates of deposit and whose certificate of deposit operations are regulated and examined by a federal or State agency.

b) The wording of the certificate of deposit shall contain the substantive provisions specified in Appendix D of this Part. Additional provisions may be included so long as no requirement of this Part is avoided or altered and no additional requirements are placed upon the Agency.

c) The certificate of deposit shall be accompanied by a letter from the licensee referring to the certificate of deposit by number, issuing institution and date and providing the following information:

1) The letter shall reference the radioactive material license numbers, names and addresses of the facilities and the amount of funds assured for reclaiming of the facilities by the certificate of deposit; and

2) The letter shall state that the licensee conveys, transfers, pledges, hypothecates and grants a security interest in and to the certificate to the Agency.

d) The certificate of deposit shall be issued for a period of at least 1 year. The certificate of deposit shall provide that the certificate will be automatically renewed for a period of 1 year unless, at least 180 days before the current expiration date, the issuing institution notifies both the licensee and the Agency by certified mail, return receipt requested, of a decision not to renew the certificate. The 180 days will begin on the date when both the licensee and the Agency have received notice, as evidenced by the return receipts. Unless the Agency provides written notice to the issuing institution that the licensee has provided substitute financial assurance acceptable to the Agency as specified in Section 326.170 of this Part, the issuing institution shall, upon maturity of a certificate of deposit that is not being renewed, pay to the Agency the amount deposited under the certificate of deposit. The Agency may delay the drawing if the issuing institution grants an extension of the term of the credit. During the last 30 days of any extension, the Director may draw on the certificate of deposit if the licensee has failed to provide alternative financial assurance arrangements as specified in Section 326.170 of this Part and obtain written approval of such arrangements from the Agency.

e) The certificate of deposit shall be in an amount, after considering other financial assurance arrangements that are in place, sufficient to provide the necessary funds in order to terminate the license in accordance with the requirements of 32 Ill. Adm. Code 330.

f) Interest accrued on a certificate of deposit shall be paid directly to the licensee and shall not automatically increase the amount of any certificate of deposit on file with the Agency.

(Source: Amended at 29 Ill. Reg. 20781, effective December 16, 2005)