



House of Representatives

General Assembly

File No. 260

January Session, 2009

Substitute House Bill No. 6354

House of Representatives, March 26, 2009

The Committee on Insurance and Real Estate reported through REP. FONTANA, S. of the 87th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT REGULATING SURETY BAIL BOND AGENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-660 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 (a) As used in this section and sections 3 to 14, inclusive, of this act:

4 (1) "Commissioner" means the Insurance Commissioner;

5 (2) "Disqualifying offense" means: (A) A felony; (B) a misdemeanor
6 if an element of the offense involves dishonesty or misappropriation of
7 money or property; or (C) a misdemeanor under section 21a-279, 53a-
8 58, 53a-61, 53a-61a, 53a-62, 53a-63, 53a-96, 53a-173, 53a-175, 53a-176,
9 53a-178 or 53a-181d;

10 [(2)] (3) "Insurer" means any domestic, foreign or alien insurance
11 company which has qualified generally to transact surety business in
12 this state under the requirements of chapter 698 and specifically to

13 transact bail bond business in this state;

14 [(3) "Surety bail bond agent" means any person who has been
15 approved by the commissioner and appointed by an insurer by power
16 of attorney to execute or countersign bail bonds for the insurer in
17 connection with judicial proceedings;]

18 (4) "License" means a surety bail bond agent license issued by the
19 commissioner to a qualified individual as provided in this section;

20 (5) "Managing general agent" means any person appointed or
21 employed by an insurer to supervise or otherwise manage the bail
22 bond business written in this state by surety bail bond agents
23 appointed by such insurer;

24 [(5)] (6) "Solicit" includes any written or printed presentation or
25 advertising made by mail or other publication, or any oral presentation
26 or advertising in person or by means of telephone, radio or television
27 which implies that an individual is licensed under this section, and any
28 activity in arranging for bail which results in compensation to the
29 individual conducting that activity;

30 [(6) "Disqualifying offense" means: (A) A felony; or (B) a
31 misdemeanor if an element of the offense involves dishonesty or
32 misappropriation of money or property.]

33 (7) "Surety bail bond agent" means any person who has been
34 approved by the commissioner and appointed by an insurer by power
35 of attorney to execute or countersign bail bonds for the insurer in
36 connection with judicial proceedings.

37 (b) An insurer shall not execute an undertaking of bail in this state
38 except by and through a person holding a license issued as provided in
39 this section.

40 (c) A person shall not in this state solicit or negotiate in respect to
41 execution or delivery of an undertaking of bail or bail bond on behalf
42 of an insurer, or execute or deliver such an undertaking of bail or bail

43 bond on behalf of an insurer unless licensed as provided in this
44 section. Any person who violates the provisions of this subsection shall
45 be guilty of a class D felony.

46 (d) Only natural persons who are licensed under this section may
47 execute bail bonds. A firm, partnership, association or corporation,
48 desiring to execute an undertaking of bail in this state must do so by
49 and through a person holding a license issued as provided in this
50 section.

51 (e) Any person desiring to act within this state as a surety bail bond
52 agent shall make a written application to the commissioner for a
53 license in such form and having such supporting documents as the
54 commissioner prescribes. Each application shall be signed by the
55 applicant and shall be accompanied by a nonrefundable filing fee as
56 determined by the commissioner. The applicant must also submit with
57 the application a complete set of the applicant's fingerprints, certified
58 by an authorized law enforcement officer, and two recent credential-
59 sized full-face photographs of the applicant. At the time of application,
60 each applicant for a license shall forward a copy of the applicant's
61 complete application and supporting documents to the bond forfeiture
62 unit of the Office of the Chief State's Attorney.

63 (f) (1) Every applicant for a license must file with the commissioner
64 a notice of appointment executed by an insurer or its authorized
65 representative authorizing such applicant to execute undertakings of
66 bail and to solicit and negotiate such undertakings on its behalf.

67 (2) By appointing a surety bail bond agent, an insurer certifies to the
68 commissioner that, to the best of the insurer's knowledge and belief,
69 such person is competent, financially responsible and suitable to serve
70 as a representative of the insurer. Until an insurer has appointed a
71 person as its surety bail bond agent in accordance with this section,
72 such person shall not represent to the public that such person has
73 authority to represent such insurer as its surety bail bond agent. An
74 insurer shall be bound by the acts of such person appointed within the
75 scope of such person's actual or apparent authority as such insurer's

76 agent.

77 (3) (A) Each appointment shall, by its terms, continue in force until:
78 [(1)] (i) Termination of the surety bail bond agent's license; or [(2)] (ii)
79 the filing of a notice of termination by the insurer or its representative
80 or by such surety bail bond agent.

81 (B) Upon the termination of a surety bail bond agent's appointment,
82 such agent shall not engage or attempt to engage in any activity
83 requiring such an appointment. An insurer that terminates the
84 appointment of a surety bail bond agent may authorize such agent to
85 continue to attempt to take custody of a defendant for whom a bail
86 bond had been written prior to the termination of such agent's
87 appointment and to seek discharge of forfeitures and judgments.

88 (C) Not later than five days after receiving notice or learning that a
89 surety bail bond agent has been arrested for, pleaded guilty or nolo
90 contendere to, or been found guilty of, a disqualifying offense in this
91 state or an offense in any other state, the essential elements of which
92 are substantially the same as a disqualifying offense, whether
93 judgment was entered or withheld by a court, an insurer, managing
94 general agent or surety bail bond agent shall notify the commissioner
95 in writing.

96 (g) An applicant for a license shall be required to appear in person
97 and take a written examination testing the applicant's competency and
98 qualifications to act as a surety bail bond agent. The commissioner
99 may designate an independent testing service to prepare and
100 administer such examination, provided any examination fees charged
101 by such service shall be paid by the applicant. The commissioner shall
102 collect the appropriate examination fee, which shall entitle the
103 applicant to take the examination for the license, except when a testing
104 service is used, the testing service shall pay such fee to the
105 commissioner. In either case, such examination shall be as the
106 commissioner prescribes and shall be of sufficient scope to test the
107 applicant's knowledge of subjects pertinent to the duties and
108 responsibilities of a surety bail bond agent, including all laws and

109 regulations of this state applicable thereto.

110 (h) In addition to all other requirements prescribed in this section,
111 each applicant for a license shall furnish satisfactory evidence to the
112 commissioner that: (1) The applicant is at least eighteen years of age;
113 (2) the applicant is a citizen of the United States; and (3) the applicant
114 has never been convicted of a [felony or any misdemeanor under
115 section 21a-279, 53a-58, 53a-61, 53a-61a, 53a-62, 53a-63, 53a-96, 53a-173,
116 53a-175, 53a-176, 53a-178 or 53a-181d] disqualifying offense. The
117 commissioner shall require each applicant to submit to a background
118 investigation, including an investigation of any prior criminal activity,
119 to be conducted by the Division of Criminal Justice. The Division of
120 Criminal Justice shall require each applicant to submit to state and
121 national criminal history records checks. Such criminal history records
122 checks shall be conducted in accordance with section 29-17a.

123 (i) Upon satisfying himself that an applicant meets the licensing
124 requirements of this state and is in all respects properly qualified and
125 trustworthy and that the granting of such license is not against the
126 public interest, the commissioner may issue to such applicant the
127 license applied for, in such form as he may adopt, to act within this
128 state to the extent therein specified.

129 (j) The commissioner may adopt regulations, in accordance with the
130 provisions of chapter 54, relating to the approval of schools offering
131 courses in the duties and responsibilities of surety bail bond agents,
132 the content of such courses and the advertising to the public of the
133 services of these schools.

134 (k) To further the enforcement of this section and sections 3 to 12,
135 inclusive, of this act, and to determine the eligibility of any licensee,
136 the commissioner may, as often as [he] the commissioner deems
137 necessary, examine the books and records of any such licensee, the cost
138 of which shall be borne by the licensee.

139 (l) A license may, [in] at the discretion of the commissioner, be
140 renewed or continued upon payment of the appropriate fee [as the

141 commissioner deems necessary] without the resubmittal of the detailed
142 information required in the original application.

143 (m) The commissioner shall adopt regulations, in accordance with
144 the provisions of chapter 54, to implement subsections (a) to (l),
145 inclusive, of this section.

146 [(n) Any individual aggrieved by the action of the commissioner in
147 revoking, suspending or refusing to reissue a license or in imposing a
148 fine or penalty may appeal therefrom, in accordance with the
149 provisions of section 4-183, except venue for such appeal shall be in the
150 judicial district of Hartford. Appeals under this section shall be
151 privileged in respect to the order of trial assignment.]

152 (n) In addition to the notification requirements set forth in section
153 38a-771, each surety bail bond agent shall provide written notice to the
154 commissioner, the appointing insurer and the managing general agent
155 not later than thirty days after a change in such surety bail bond
156 agent's principal business address or telephone number.

157 (o) Nothing in this section shall be construed as limiting an
158 individual's ability to operate as a professional bondsman in this state
159 pursuant to chapter 533 provided such individual is in compliance
160 with all requirements of said chapter.

161 Sec. 2. Section 38a-660a of the general statutes is repealed and the
162 following is substituted in lieu thereof (*Effective October 1, 2009*):

163 The Insurance Commissioner shall furnish to all courts and to all
164 organized police departments in the state, the names of all persons
165 licensed as surety bail bond agents under this chapter and shall
166 forthwith notify such courts and all such police departments of any
167 change in any such agent's principal business address, telephone
168 number or status or of the suspension or revocation of the license of
169 any such agent to engage in such business.

170 Sec. 3. (NEW) (*Effective October 1, 2009*) (a) No surety bail bond
171 agent shall execute a bail bond without charging the premium rate

172 filed with and approved by the commissioner pursuant to chapter 701
173 of the general statutes.

174 (b) Not later than the tenth day of each month, each surety bail bond
175 agent shall certify to the commissioner under oath, on a form
176 prescribed by the commissioner, that the premium for each surety bail
177 bond executed by such agent did not exceed, nor was less than, the
178 premium rate as filed by the insurer with, and approved by, the
179 commissioner. The filing of a false certification by a surety bail bond
180 agent shall be grounds for administrative action in accordance with
181 section 38a-774 of the general statutes.

182 (c) Each insurer shall biannually conduct an audit, for the period
183 from January first to June thirtieth and from July first to December
184 thirty-first, of each of its appointed surety bail bond agents to ensure
185 such agents are charging the premium rate as required by subsection
186 (a) of this section. Not later than forty-five days after the closing period
187 of each audit, each insurer shall notify the commissioner of the failure
188 of any surety bail bond agent to charge the filed and approved
189 premium rate. Such notice shall include the name of the surety bail
190 bond agent, the case docket number if assigned, the total amount of the
191 surety bond, the date the surety bond was posted, the five-digit
192 identification code assigned to the insurer by the National Association
193 of Insurance Commissioners and the date the premium was due.

194 (d) Nothing in this section shall be construed to prohibit or limit a
195 premium financing arrangement that is in accordance with section 4 of
196 this act.

197 Sec. 4. (NEW) (*Effective October 1, 2009*) If a surety bail bond agent
198 extends credit for a premium financing arrangement, such agent shall
199 require the defendant and any indemnitor to execute a promissory
200 note for the balance of the premium due, at the filed and approved
201 premium rate required by section 3 of this act. Such promissory note
202 shall provide that such balance shall be paid not later than fifteen
203 months from the date of such execution. If such balance has not been
204 paid in full to the surety bail bond agent by the due date, such agent

205 shall file a verified complaint seeking appropriate relief with the court
206 not later than sixty days after such due date. The surety bail bond
207 agent shall make a diligent effort to obtain judgment not later than one
208 hundred twenty days after filing such complaint on such promissory
209 note unless good cause is shown for failure to obtain judgment,
210 including, but not limited to, the filing for bankruptcy by the
211 defendant or the indemnitor or failure to serve process despite good
212 faith efforts.

213 Sec. 5. (NEW) (*Effective October 1, 2009*) (a) All premiums, return
214 premiums or other funds belonging to insurers or others that are
215 received by a surety bail bond agent under such agent's license shall be
216 deemed trust funds received by such agent in a fiduciary capacity.
217 Such agent shall account for and pay the same to the insurer, insured
218 or other person entitled to such funds.

219 (b) A surety bail bond agent shall keep and make available to the
220 commissioner books, accounts and records as necessary to enable the
221 commissioner to determine whether such agent is complying with
222 applicable law. A surety bail bond agent shall preserve the books,
223 accounts and records pertaining to a premium payment for at least
224 three years after making such payment. Records that are preserved by
225 computer or photographic reproduction or records that are in
226 photographic form shall be deemed to be in compliance with this
227 subsection.

228 (c) Any surety bail bond agent who unlawfully diverts or
229 appropriates such funds specified in subsection (a) of this section or
230 any portion thereof for such agent's own use shall have committed
231 larceny, as defined in section 53a-119 of the general statutes.

232 Sec. 6. (NEW) (*Effective October 1, 2009*) Each surety bail bond agent
233 shall maintain all records of surety bail bonds executed or
234 countersigned by such agent for at least three years after the liability of
235 the surety has been terminated. Such records shall be open at all times
236 to examination, inspection and photographic reproduction by any
237 employee or agent of the Insurance Department, an authorized

238 representative of the insurer or a managing general agent. The
239 commissioner may require a surety bail bond agent, at any time, to
240 furnish to the Insurance Department, in such manner or form as the
241 commissioner may require, any information concerning the surety bail
242 bond business of such agent.

243 Sec. 7. (NEW) (*Effective October 1, 2009*) (a) All build-up funds
244 posted by a surety bail bond agent or a managing general agent, either
245 with an insurer or a managing general agent representing an insurer,
246 shall be maintained in an individual build-up trust account for the
247 surety bail bond agent by the insurer or the managing general agent.
248 The insurer or managing general agent shall establish the account in a
249 federally insured bank or savings and loan association in this state
250 jointly in the name of the surety bail bond agent and the insurer or
251 managing general agent, or in trust for the surety bail bond agent by
252 the insurer or managing general agent. The account shall be open to
253 inspection and examination by the Insurance Department at all times.
254 The insurer or managing general agent shall maintain an accounting of
255 all build-up funds and such accounting shall designate the amounts
256 collected on each bond written.

257 (b) Build-up funds shall not exceed forty per cent of the premium as
258 established by the surety bail bond agent's contract agreement with the
259 insurer or managing general agent. Build-up funds received shall be
260 immediately deposited in the build-up trust account. Interest earned
261 on build-up trust accounts shall accrue to the surety bail bond agent.

262 (c) Build-up funds are due upon termination of the surety bail bond
263 agent's contract and discharge of liabilities on the bonds for which the
264 build-up funds were posted. The insurer or managing general agent
265 shall pay the funds to the surety bail bond agent not later than six
266 months after the funds are due.

267 Sec. 8. (NEW) (*Effective October 1, 2009*) (a) A surety bail bond agent
268 that accepts collateral security or other indemnity shall comply with all
269 of the following requirements:

270 (1) The collateral security or other indemnity shall be reasonable in
271 relation to the amount of the bond;

272 (2) The collateral security or other indemnity shall not be used by
273 the surety bail bond agent for personal benefit or gain and shall be
274 returned in the same condition as received;

275 (3) Acceptable forms of collateral security or indemnity include, but
276 are not limited to, cash or its equivalent, a promissory note, an
277 indemnity agreement, a real property mortgage in the name of the
278 surety or any Uniform Commercial Code filing. If the surety bail bond
279 agent accepts on a bond collateral security in excess of fifty thousand
280 dollars in cash, the cash amount shall be made payable to the surety in
281 the form of a cashier's check, United States postal money order,
282 certificate of deposit or wire transfer;

283 (4) The surety bail bond agent shall provide to the person giving the
284 collateral security or other indemnity a written, numbered receipt that
285 describes in a detailed manner the collateral security or other
286 indemnity received, along with copies of any documents rendered;
287 and

288 (5) The collateral security or other indemnity shall be received and
289 held in the surety's name by the surety bail bond agent in a fiduciary
290 capacity and, prior to any forfeiture of bail, shall be kept separate and
291 apart from any other funds or assets of the surety bail bond agent.
292 When collateral security in excess of fifty thousand dollars in cash or
293 its equivalent is received on a bond, the surety bail bond agent
294 promptly shall forward the entire amount to the surety or managing
295 general agent.

296 (b) Collateral security may be placed in an interest-bearing account
297 in a federally insured bank or savings and loan association in this state,
298 to accrue to the benefit of the person giving the collateral security. The
299 surety bail bond agent, surety or managing general agent shall not
300 receive any pecuniary gain on the collateral security deposited.

301 (c) (1) The surety is liable for all collateral security or other
302 indemnity accepted by a surety bail bond agent. If, upon final
303 termination of liability on a bond, the surety bail bond agent or
304 managing general agent fails to return the collateral security to the
305 person that gave it, the surety shall return the actual collateral to that
306 person or, in the event that the surety cannot locate the collateral, shall
307 pay the person in accordance with this section.

308 (2) A surety's liability as described in subdivision (1) of this
309 subsection shall survive the termination of the surety bail bond agent's
310 appointment, with respect to those bonds that were executed by the
311 surety bail bond agent prior to the termination of the appointment.

312 (d) (1) If a forfeiture occurs, the surety bail bond agent or surety
313 shall give the principal and the person that gave the collateral security
314 ten days' written notice of intent to convert the collateral deposit into
315 cash to satisfy the forfeiture. The notice shall be sent by certified mail,
316 return receipt requested, to the last-known address of the principal
317 and the person that gave the collateral.

318 (2) If a stay of execution upon such forfeiture is ordered pursuant to
319 section 54-65a of the general statutes, the surety bail bond agent or
320 surety shall send such written notice by certified mail, return receipt
321 requested, to the last-known address of the principal and the person
322 that gave the collateral, at least ten days prior to the expiration of such
323 stay.

324 (3) The surety bail bond agent or surety shall convert the collateral
325 deposit into cash within a reasonable period of time and return that
326 which is in excess of the face value of the bond minus the actual and
327 reasonable expenses of converting the collateral into cash. Such
328 expenses shall not exceed ten per cent of the face value of the bond. If a
329 surety bail bond agent expends more than ten per cent of the face
330 value of the bond to convert the collateral into cash, such agent may
331 file an application with the court, which may allow recovery of the full
332 amount of the actual and reasonable expenses upon motion and proof
333 that the actual and reasonable expenses exceed ten per cent of the face

334 value of the bond. If there is a remission of forfeiture that required the
335 surety to pay the bond, the surety shall pay to the person that gave the
336 collateral the value of any collateral received for the bond minus the
337 actual and reasonable expenses permitted to be recovered under this
338 subsection.

339 (e) A surety bail bond agent or surety shall not solicit or accept a
340 waiver of any of the provisions of this section or enter into any
341 agreement as to the value of the collateral.

342 (f) Prior to the appointment of a surety bail bond agent who is
343 currently or was previously appointed by another insurer, the surety
344 bail bond agent shall file with the commissioner a sworn and notarized
345 affidavit, on a form prescribed by the commissioner, stating that: (A)
346 There has been no loss, misappropriation, conversion or theft of any
347 collateral being held by the agent in trust for any insurer by which the
348 agent is currently or was previously appointed; and (B) all collateral
349 being held in trust by the agent and all records for any insurer by
350 which the agent is currently or was previously appointed are available
351 for immediate audit and inspection by the commissioner, the insurer,
352 or the managing general agent and will, upon demand of the
353 commissioner or insurer, be transmitted to the insurer for whom the
354 collateral is being held in trust.

355 Sec. 9. (NEW) (*Effective October 1, 2009*) (a) If collateral security or
356 other indemnity was accepted on a bond by a surety bail bond agent,
357 the surety bail bond agent, managing general agent or surety shall
358 return the collateral security or other indemnity, except a promissory
359 note or an indemnity agreement, not later than twenty-one days after
360 receipt of a written report from the court that a bond has been
361 terminated. Such collateral security or other indemnity shall be
362 returned to the person that gave the collateral security or other
363 indemnity unless another disposition is provided for by legal
364 assignment of the right to receive the collateral to another person. If,
365 despite diligent inquiry by the surety or the surety's agent to
366 determine that the bond has been terminated, the court fails to provide

367 any written report on termination, the collateral security or other
368 indemnity, except a promissory note or an indemnity agreement, shall
369 be returned to the person that gave the collateral security or other
370 indemnity not later than twenty-one days after the surety, surety bail
371 bond agent or managing general agent has become aware that the
372 bond has been terminated.

373 (b) No fee or other charge, other than that which is authorized by
374 law, shall be deducted from the collateral due. Allowable expenses
375 incurred in the apprehension of a defendant because of a forfeiture of
376 bond or judgment may be deducted if such expenses are accounted for.

377 (c) A violation of this section is:

378 (1) A class A misdemeanor if the collateral is of a value of less than
379 five hundred dollars;

380 (2) A class D felony if the collateral is of a value of at least five
381 hundred dollars but less than five thousand dollars;

382 (3) A class C felony if the collateral is of a value of at least five
383 thousand dollars but less than ten thousand dollars; and

384 (4) A class B felony if the collateral is of a value of ten thousand
385 dollars or more.

386 Sec. 10. (NEW) (*Effective October 1, 2009*) (a) No insurer, managing
387 general agent or surety bail bond agent shall furnish to any person any
388 blank form, application, stationery, business card or other supplies to
389 be used in the solicitation, negotiation or effectuation of bail bonds
390 unless such person is licensed to act as a surety bail bond agent and is
391 appointed by an insurer as set forth in section 38a-660 of the general
392 statutes, as amended by this act. This section shall not prohibit an
393 unlicensed employee who is under the direct supervision and control
394 of a licensed and appointed surety bail bond agent from possessing or
395 executing in the surety bond office any form, other than a power of
396 attorney, bond form or collateral receipt, while acting within the scope
397 of such employee's employment.

398 (b) Any insurer that furnishes any of the supplies set forth in
399 subsection (a) of this section to any surety bail bond agent or other
400 person not appointed by such insurer, and that accepts any bail bond
401 business from or writes any bail bond business for that surety bail
402 bond agent or other person, is liable on the bond to the same extent
403 and in the same manner as if the surety bail bond agent or other
404 person had been appointed or authorized by an insurer to act on its
405 behalf.

406 Sec. 11. (NEW) (*Effective October 1, 2009*) No surety bail bond agent
407 or insurer shall:

408 (1) In exchange for a fee or other consideration, suggest or advise
409 the employment of or name for employment any particular attorney to
410 represent its principal;

411 (2) Directly or indirectly solicit business in or on the property or
412 grounds of a jail, prison or other place where prisoners are confined.
413 For purposes of this subdivision, "solicit" includes the distribution of
414 business cards, print advertising or any other written information
415 directed to prisoners or potential indemnitors, unless a request is
416 initiated by the prisoner or potential indemnitor. Permissible print
417 advertising in or on the property or grounds of a jail, prison or other
418 place where prisoners are confined, or in or on the property or
419 grounds of any court shall be limited to a listing in a telephone
420 directory and the posting of the surety bail bond agent's name, address
421 and telephone number in a prominent designated location in or on
422 such property or grounds;

423 (3) Wear or otherwise display any identification, other than an
424 Insurance Department-issued or approved license or identification
425 approved by the commissioner, in or on the property or grounds of a
426 jail, prison or other place where prisoners are confined, or in or on the
427 property or grounds of any court;

428 (4) Pay a fee or rebate or give or promise anything of value to a
429 jailer, law enforcement officer, committing magistrate or other person

430 who has power to arrest or to hold in custody, or to any public official
431 or public employee, to secure a settlement, compromise, remission or
432 reduction of the amount of any bail bond or estreatment of bail;

433 (5) Pay a fee or rebate or give or promise anything of value to an
434 attorney in a bail bond matter, except in defense of any action on a
435 bond;

436 (6) Pay a fee or rebate or give or promise anything of value to the
437 principal or to anyone on the principal's behalf;

438 (7) Participate in the capacity of an attorney at a trial or hearing of a
439 principal;

440 (8) Accept anything of value from a principal for providing a bail
441 bond, other than the premium filed with and approved by the
442 commissioner and an expense fee, except that the surety bail bond
443 agent may, in accordance with section 9 of this act, accept collateral
444 security or other indemnity from a principal or other person together
445 with documentary stamp taxes, if applicable. No fees, expenses or
446 charges of any kind shall be deducted from the collateral held or from
447 any return premium due, except as authorized by law. A surety bail
448 bond agent may, upon written agreement with a third party, receive a
449 fee or other compensation for returning to custody an individual who
450 has fled the jurisdiction of the court or caused the forfeiture of a bond;

451 (9) Execute a bond in this state on such agent's or insurer's own
452 behalf; or

453 (10) Execute a bond in this state if a bond executed by the surety bail
454 bond agent is forfeited and such forfeiture has remained unpaid for at
455 least sixty days after the date payment has become due, unless the full
456 amount of the forfeited bond is paid to the Office of the Chief State's
457 Attorney.

458 Sec. 12. (NEW) (*Effective October 1, 2009*) (a) Each insurer and each
459 surety bail bond agent that writes bail bonds in this state shall
460 maintain and transmit the following information, based on such

461 insurer's or such agent's Connecticut bail bond business, to the
462 Insurance Department upon request and shall report the information
463 separately for each company represented. Subdivisions (1), (12) and
464 (13) of this subsection shall apply only to insurers:

465 (1) Commissions paid;

466 (2) The number of, and the total dollar amount of, bonds executed;

467 (3) The number of, and the total dollar amount of, bonds declared
468 forfeited;

469 (4) The number of, and the total dollar amount of, forfeitures
470 discharged, remitted or otherwise recovered prior to payment for any
471 reason;

472 (5) The number of, and the total dollar amount of, forfeitures
473 discharged, remitted or otherwise recovered prior to payment due to
474 the apprehension of the defendant by the bail bond agent;

475 (6) The number of, and the total dollar amount of, forfeited bonds
476 that have not been reinstated pursuant to section 54-65a of the general
477 statutes;

478 (7) The number of, and the total dollar amount of, forfeitures paid
479 and subsequently recovered by the Office of the Chief State's Attorney
480 by discharge, remission or otherwise;

481 (8) A list of every outstanding or unpaid forfeiture, estreature and
482 judgment, with the case number and the name of the court in which
483 such forfeiture, estreature or judgment is recorded and the name of
484 each agency or firm that employs the bail bond agent;

485 (9) The number of, and the total dollar amount of, bonds for which
486 collateral was accepted;

487 (10) The actual realized value of collateral converted, excluding the
488 cost of converting the collateral;

489 (11) The cost of converting collateral;

490 (12) The underwriting gain or loss;

491 (13) The net investment gain or loss allocated to the flow of funds
492 associated with Connecticut business; and

493 (14) Such additional information as the Insurance Department may
494 require to: (A) Evaluate the reasonableness of rates or ensure that such
495 rates are not excessive, inadequate or unfairly discriminatory; (B)
496 evaluate the financial condition or trade practices of surety bail bond
497 agents and sureties executing bail bonds; and (C) evaluate the
498 performance of the commercial bail bond industry in accordance with
499 appropriate criminal justice system goals and standards.

500 (b) Each bail bond agent shall submit a copy of such information to
501 each insurer such agent represents.

502 (c) The commissioner shall meet at least annually with a group of
503 surety bail bond agents and insurers, and any other representatives the
504 commissioner deems necessary, to discuss the reporting requirements
505 set forth in subsection (a) of this section.

506 Sec. 13. (NEW) (*Effective October 1, 2009*) (a) The commissioner may
507 suspend or revoke the license of a surety bail bond agent, or may
508 impose a fine in lieu of or in addition to such suspension or revocation
509 in accordance with section 38a-774 of the general statutes for any
510 violation of section 38a-660 of the general statutes, as amended by this
511 act, and sections 3 to 12, inclusive, of this act.

512 (b) Upon the surrender, suspension or revocation of a surety bail
513 bond agent's license, the appointing insurer or managing general agent
514 shall immediately designate a licensed and appointed surety bail bond
515 agent to administer all bail bonds previously written by the licensee.

516 (c) Any individual aggrieved by the action of the commissioner
517 under subsection (a) of this section may appeal therefrom, in
518 accordance with section 38a-774 of the general statutes.

519 Sec. 14. (NEW) (*Effective October 1, 2009*) The commissioner may
 520 adopt regulations, in accordance with the provisions of chapter 54 of
 521 the general statutes, to implement the provisions of section 38a-660 of
 522 the general statutes, as amended by this act, and sections 3 to 12,
 523 inclusive, of this act.

524 Sec. 15. Section 29-152n of the general statutes is repealed and the
 525 following is substituted in lieu thereof (*Effective October 1, 2009*):

526 Any person who violates any provision of sections 29-152e to
 527 29-152m, inclusive, [and 38a-660a] shall be guilty of a class D felony.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	38a-660
Sec. 2	<i>October 1, 2009</i>	38a-660a
Sec. 3	<i>October 1, 2009</i>	New section
Sec. 4	<i>October 1, 2009</i>	New section
Sec. 5	<i>October 1, 2009</i>	New section
Sec. 6	<i>October 1, 2009</i>	New section
Sec. 7	<i>October 1, 2009</i>	New section
Sec. 8	<i>October 1, 2009</i>	New section
Sec. 9	<i>October 1, 2009</i>	New section
Sec. 10	<i>October 1, 2009</i>	New section
Sec. 11	<i>October 1, 2009</i>	New section
Sec. 12	<i>October 1, 2009</i>	New section
Sec. 13	<i>October 1, 2009</i>	New section
Sec. 14	<i>October 1, 2009</i>	New section
Sec. 15	<i>October 1, 2009</i>	29-152n

Statement of Legislative Commissioners:

Section 1 (f)(3)(C) was rewritten for consistency with the drafting conventions of the general statutes.

INS *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Insurance Dept.	GF - Revenue Gain	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

This bill may result in a revenue gain in the General Fund from the assessment and collection of fines by expanding the Insurance Department's (DOI's) ability to regulate the bail bond industry, including DOI's ability to impose a fine of up to \$5,000 on bail bonds agents that violate the provisions of the bill. This revenue gain would be subject to the number of violators of the bill's provisions that are assessed a fine and the size of the fine assessed. The number of future violators is unknown. DOI deposited \$4.2 million from fines and penalties in the General Fund in FY 08.

The Out Years

Revenue gain to the General Fund in the out years is dependent on the number of violators of the bill's provisions that are assessed a fine, and the size of the fine, by DOI.

OLR Bill Analysis**sHB 6354*****AN ACT REGULATING SURETY BAIL BOND AGENTS.*****SUMMARY:**

This bill makes changes to, and adds new, surety bail bond agent requirements. (A surety bail bond agent, through a contract with an insurer, sells bail bonds in criminal cases and is under the insurance commissioner's regulatory authority.)

The bill expands the surety bail bond licensing and appointment requirements. It establishes (1) bail bond solicitation, record retention, and reporting standards and (2) premium financing, build-up funds, and collateral security requirements and restrictions. It requires an agent to certify under oath to the insurance commissioner that he or she charged the bond premium rate the commissioner approved (i.e., did not discount or increase the rate).

It authorizes the insurance commissioner to (1) suspend or revoke a bail bond agent's license, impose a penalty of up to \$5,000, or both, for violating the bill's provisions and (2) adopt implementing regulations. By law, the commissioner must adopt regulations implementing surety bail bond licensing and appointment requirements.

EFFECTIVE DATE: October 1, 2009

§ 1 — LICENSING, APPOINTMENTS, AND EXAMINATION OF BOOKS

By law, no one can act as a surety bail bond agent ("agent") unless the insurance commissioner licenses, and an insurer appoints, him or her. To obtain a license, a person must file a completed application, pay an application fee, pass a written examination, and submit to a

background check. By law, anyone acting as an agent without a license is guilty of a class D felony. A person convicted of a class D felony is subject to imprisonment of one to five years, a fine of up to \$5,000, or both.

Disqualifying Offense

The bill expands the list of convictions that disqualify a person from being licensed as an agent. The bill disqualifies a person who has been convicted of any misdemeanor involving dishonesty or misappropriation of money or property. The law already disqualifies a person if he or she has been convicted of a felony or any of the following misdemeanors:

1. illegal drug possession;
2. criminally negligent homicide;
3. third-degree assault;
4. third-degree assault of an elderly, blind, or disabled person;
5. second-degree threatening;
6. first-degree reckless endangerment;
7. second-degree unlawful restraint;
8. second-degree failure to appear;
9. first- or second-degree rioting or inciting others to riot; or
10. second-degree stalking.

Appointments

By law, an agent must have an insurer's notice of appointment on file with the commissioner to act on the insurer's behalf.

The bill specifies that, by appointing an agent, an insurer is (1) certifying to the commissioner that, to the best of its knowledge and

belief, the person is competent, financially responsible, and suitable to serve as the insurer's representative and (2) bound by the person's acts within the scope of his or her actual or apparent authority as the agent. The bill prohibits an agent from representing that he or she has authority to act on an insurer's behalf until the insurer has appointed him or her.

By law, an appointment continues in force until the agent's license terminates or the insurer, its representative, or the agent files a termination notice (presumably with the commissioner).

The bill prohibits the agent from acting, or attempting to act, on the insurer's behalf after his or her appointment is terminated. However, it permits an insurer that terminates an agent's appointment to authorize the agent to continue efforts to take a defendant for whom a bail bond was written before the appointment was terminated into custody and to try to have forfeitures and judgments discharged.

The bill requires an insurer, managing general agent, or agent to notify the commissioner in writing within five days of learning that an agent was arrested for, pleaded guilty or no contest to, or was found guilty of a disqualifying offense in Connecticut or similar offense in another state, whether a court entered or withheld judgment.

The bill defines "managing general agent" as a person an insurer appoints or employs to supervise the bail bond business that the insurer's appointed surety bail bond agents write in Connecticut.

Examination of Books and Records

The bill permits the commissioner to examine an agent's books and records as often he deems necessary to enforce the bill's provisions. He already has this power with respect to license eligibility. The bill requires the agent to pay the cost of such examinations.

Change in Address or Telephone Number

The bill requires an agent to give written notice of a change in his or her principal business address or telephone number within 30 days of

the change to the commissioner, appointing insurer, and managing general agent.

The bill specifies that this notice requirement is in addition to notice requirements under CGS § 38a-771, but it is unclear if that statute applies to agents.

License Fees

The bill authorizes the commissioner to renew or continue agent's license at his discretion as long as the agent pays the "appropriate fee." Current law requires payment of an appropriate fee the commissioner deems necessary.

The law specifies that an applicant for an initial surety bail bond agent license must pay a nonrefundable filing fee the commissioner determines.

It is unclear what fees are payable. Regulations specify that the fees payable are those in CGS § 38a-11, which contains most of the fees payable to the commissioner. But that statute does not appear to make reference to agents. According to the on-line Connecticut Licensing Info Center, the initial agent license fee is \$65 and the renewal fee is \$40.

The law does not specify how long an initial license remains in effect. As a result, it is unclear when an agent would seek the commissioner's permission to continue or renew a license. According to the on-line Connecticut Licensing Info Center, a license expires on January 31 of even-numbered years.

§§ 2 & 15 — NOTICE TO COURTS AND POLICE DEPARTMENTS

By law, the commissioner must give all courts and police departments in Connecticut a list of licensed agents and notify them of any change in the agent's status. The bill also requires him to notify them of a change in the agent's principal business address or telephone number. It also eliminates the penalty should the commissioner fail to provide notification. Current law makes it a class D felony.

§ 3 — PREMIUM REQUIREMENTS

The bill prohibits an agent from executing a bail bond unless he or she charges the premium rate the insurer filed and commissioner approved. It requires an agent, by the 10th of each month, to certify under oath to the commissioner, on a form he prescribes, that the premium for each surety bail bond he or she executed (presumably during the prior month) did not differ from the filed and approved premium rate.

If an agent files a false certification, the commissioner may suspend or revoke his or her license, impose a penalty of up to \$5,000, or both.

The bill requires each insurer transacting surety bail bond business in Connecticut to audit its appointed agents twice a year to ensure each is charging the filed and approved premium rate. The audits must cover the periods of (1) January 1 to June 30 and (2) July 1 to December 31.

Within 45 days after each audit period ends (June 30 and December 31), an insurer must notify the commissioner of any agent who failed to charge the filed and approved premium rate. The notice must include the:

1. agent's name;
2. case docket number, if assigned;
3. total bond amount;
4. date the bond was posted,
5. insurer's National Association of Insurance Commissioners identification code; and
6. date the premium was due.

The bill specifies that it does not prohibit or limit a premium financing arrangement extended in accordance with § 4.

§ 4 — PREMIUM FINANCING ARRANGEMENTS

Under the bill, if an agent extends credit for a premium financing arrangement, he or she must require the defendant and any indemnitor to execute a promissory note for the remaining premium due, at the filed and approved rate. The promissory note must require payment in full within 15 months of its execution.

If the balance owed is not paid in full by its due date, the bill requires the agent to (1) file a verified complaint seeking appropriate relief with the court within 60 days of when the balance was due and (2) make a diligent effort to obtain judgment within 120 days of filing the complaint, unless good cause is shown for failing to obtain judgment (e.g., the defendant or indemnitor files for bankruptcy or service of process failed despite good faith efforts).

§ 5 — RECORD KEEPING AND ACCOUNTING FOR FUNDS

The bill deems premiums, return premiums, or other funds an agent receives that belong to insurers or others to be trust funds received in a fiduciary capacity. The agent must account for and pay the funds to the insurer, insured, or other person entitled to them. (The bill does not define “return premiums.”)

The bill requires an agent to keep, and make available to the commissioner, books, accounts, and records as necessary to enable the commissioner to determine whether the agent is complying with applicable law. An agent must keep books, accounts, and records relating to premium payments for at least three years after payments are made. The bill permits computer records and photographic reproductions of records.

An agent who unlawfully diverts or appropriates trust funds for his or her own use is guilty of larceny.

§ 6 — RECORD MAINTENANCE AND EXAMINATION

The bill requires an agent to maintain all records of bonds he or she executed or countersigned for at least three years after the insurer’s liability ends. The agent’s records must be open at all times for the

Insurance Department's, insurer's, or managing general agent's examination, inspection, and copying. The commissioner may require an agent to provide the department information concerning the agent's surety bail bond business at any time and in a way he specifies.

§ 7 — BUILD-UP FUNDS

The bill requires an insurer or managing general agent to maintain "build-up funds" a surety bail bond or managing general agent posts in an individual build-up trust account. (The bill does not define "build-up funds," but it appears to be money an insurer or managing general agent requires an agent to post and use to pay forfeited bonds, if any.)

The insurer or managing general agent must establish the account in a federally insured bank or savings and loan association located in Connecticut. It must be in (1) the name of the agent and the insurer or managing general agent or (2) trust for the agent. The account must be open to the Insurance Department's inspection and examination at all times. The insurer or managing general agent must maintain an accounting of all build-up funds that designates the amounts collected on each bond written.

The bill prohibits build-up funds from exceeding 40% of the surety bail bond premium the insurer contractually authorizes the agent to write (presumably per bond). Build-up funds received must be immediately deposited to the build-up trust account, and interest earned on the accounts must accrue to the surety bail bond agent.

The bill specifies that build-up funds become due to the agent when the (1) agent's bail bond contract ends and (2) liabilities on the bonds for which the funds were posted are discharged. It requires an insurer or managing general agent to pay the funds to the agent within six months after they are due.

§§ 8 & 9 — COLLATERAL SECURITY OR INDEMNITY

Requirements and Restrictions

The bill sets forth requirements and restrictions with respect to

collateral security or other indemnity an agent accepts. The collateral or indemnity an agent accepts must (1) be reasonable in relation to the bond amount, (2) not be used for the agent's personal benefit or gain, and (3) be returned in the same condition as received.

Acceptable forms of collateral or indemnity include (1) cash or its equivalent, (2) a promissory note, (3) an indemnity agreement, (4) a real property mortgage in the insurer's name, or (5) any Uniform Commercial Code filing. If the agent accepts collateral exceeding \$50,000 in cash, he or she must make the cash amount payable to the insurer using a cashier's check, U.S. postal money order, certificate of deposit, or wire transfer. But the bill also specifies that when an agent receives bond collateral exceeding \$50,000 in cash or its equivalent, he or she must promptly forward the entire amount to the insurer or managing general agent. (These provisions seem to conflict.)

The agent must provide the person putting up the collateral or indemnity a written, numbered receipt that includes a detailed description of the collateral or indemnity received, along with copies of any documents rendered. The agent must receive and hold the collateral or indemnity in the insurer's name and in a fiduciary capacity. Before any bail forfeiture, the agent must keep the collateral or indemnity separate and apart from any other funds or assets.

The bill allows collateral to be placed in an interest-bearing account in a federally insured bank or savings and loan association located in Connecticut. The interest accrues to the benefit of the person putting up the collateral. The bill prohibits the agent, insurer, or managing general agent from receiving any pecuniary gain on the deposited collateral.

The bill makes the insurer liable for all collateral or indemnity an agent accepts. If, upon final termination of liability on a bond, the surety bail bond or managing general agent fails to return the collateral to the person that put it up, the bill requires the insurer to (1) return the actual collateral to that person or, (2) in the event that it cannot locate the collateral, pay the person in accordance with the bill.

The insurer's liability survives the termination of a surety bail bond agent's appointment with respect to bonds the agent wrote before the termination.

In the event of forfeiture, the agent or insurer must give the principal and the person that put up collateral 10 days' written notice that the collateral will be converted into cash to satisfy the forfeiture. The notice must be sent via certified mail, return receipt requested, to their last-known addresses. If the court orders a stay of execution upon the forfeiture in accordance with law, the agent or insurer must send the written notice by certified mail, return receipt requested, to their last-known addresses at least 10 days before the stay expires.

The bill requires the agent or insurer to convert the collateral deposit into cash within a reasonable period of time and return any amount that exceeds the bond's face value, minus the actual and reasonable conversion expenses, which must not exceed 10% of the bond's face value. If an agent spends more than 10% to convert the collateral into cash, he or she may file an application with the court, which may allow recovery of the full amount of actual and reasonable expenses upon motion and proof that expenses exceeded 10%. If there is a remission of forfeiture that required the insurer to pay the bond, the insurer must pay the person that put up the collateral the value of any collateral received for the bond minus the recoverable actual and reasonable expenses.

Under the bill, an agent or insurer cannot (1) solicit or accept a waiver of its collateral requirements or (2) enter into any agreement as to the collateral's value.

Additional Appointment Requirement

Before an insurer appoints an agent who is currently or was previously appointed by another insurer, the surety bail bond agent must file a sworn and notarized affidavit with the commissioner, on a form he prescribes, stating that (1) the agent has not lost, misappropriated, converted, or stolen any collateral he or she holds in

trust for an appointing insurer; (2) all collateral the agent holds in trust and all records for any appointing insurer are available for the commissioner's, insurer's, or managing general agent's immediate audit and inspection; and (3) the agent will, upon the commissioner's or insurer's demand, transmit the collateral to the insurer for whom it is being held in trust.

Returning Collateral or Indemnity

Under the bill, if an agent accepted collateral or indemnity on a bond, the surety bail bond or managing general agent or insurer must return it, except a promissory note or an indemnity agreement, within 21 days after (1) receiving a court's written report that a bond was terminated or (2) becoming aware that a bond was terminated even if, despite an agent's or insurer's diligent inquiry, the court does not issue a written report. The collateral or indemnity must be returned to the person that gave it, unless the right to receive it was legally assigned to another person.

The bill prohibits an insurer or agent from deducting a fee or other charge, other than one the law authorizes, from the collateral due. Allowable expenses incurred in apprehending a defendant because of a forfeiture of bond or judgment, if accounted for, may be deducted.

The penalty for violating the bill's provisions regarding returning collateral or indemnity depends on collateral's value. If the value is:

1. less than \$500, it is a class A misdemeanor;
2. at least \$500 but less than \$5,000, it is a class D felony;
3. at least \$5,000 but less than \$10,000, it is a class C felony; and
4. \$10,000 or more, it is a class B felony.

§ 10 — CANNOT GIVE BOND SUPPLIES TO UNLICENSED PERSON

The bill prohibits an insurer, managing general agent, or surety bail bond agent from giving any blank form, application, stationery,

business card, or other supplies used in soliciting, negotiating, or effecting bail bonds to a person who is not a licensed and appointed surety bail bond agent. It specifies that this does not prohibit an unlicensed employee under the direct supervision and control of a licensed and appointed agent from possessing or executing in the surety bond office a form, other than a power of attorney, bond form, or collateral receipt, while acting within his or her scope of employment.

Insurer Liable

The bill makes an insurer that (1) gives supplies to an agent or other person the insurer has not appointed and (2) accepts bail bond business from or writes bail bond business for that person, liable on the bond to the same extent and in the same manner as if the insurer had appointed him or her to act on its behalf.

§ 11 — PROHIBITED PRACTICES

The bill prohibits an agent or insurer from:

1. suggesting, advising, or giving the name of, a particular attorney to represent its principal (i.e., bail bond client) in exchange for a fee or other consideration;
2. directly or indirectly “soliciting” business (see below) in, or on the grounds of, a jail, prison, or other place where prisoners are confined;
3. wearing or displaying any identification, other than an Insurance Department-issued or insurance commissioner-approved license or identification, in, or on the grounds of, a jail, prison, other place where prisoners are confined, or court;
4. acting as an attorney at a principal’s trial or hearing;
5. executing a bond in Connecticut (a) on the agent’s or insurer’s own behalf or (b) if a bond the agent executed is forfeited and the forfeiture has remained unpaid for at least 60 days after

payment was due, unless the full amount of the forfeited bond is paid to the chief state's attorney's office; or

6. accepting anything of value from a principal for providing a bail bond, other than the premium rate, as filed with and approved by the commissioner, and an expense fee, except that the agent may accept collateral or indemnity with documentary stamp taxes, if applicable.

The bill permits an agent, upon written agreement with a third party, to receive a fee or other compensation for returning to custody a person who fled the court's jurisdiction or caused a bond forfeiture.

The bill specifies that, for purposes of item 2 above, "solicit" includes distributing business cards, print advertising, or any other written information directed to prisoners or potential indemnitors, unless a prisoner or indemnitor initiates contact. The bill limits permissible print advertising in, or on the grounds of, a jail, prison, other place where prisoners are confined, or court, to a (1) telephone directory listing and (2) posting of the surety bail bond agent's name, address, and telephone number in a prominent, designated location.

The bill also prohibits an agent or insurer from paying a fee or rebate or giving or promising anything of value to:

1. a jailer, law enforcement officer, committing magistrate or other person who has power to arrest or to hold a person in custody, or public official or employee, to secure a bail bond settlement, compromise, remission, or reduction or bail estreatment;
2. an attorney in a bail bond matter, except in defense of a bond action; or
3. the principal or anyone on his or her behalf.

(The bill does not define "estreatment.")

§ 12 — REPORTING REQUIREMENTS

The bill requires each insurer and agent writing bail bonds in Connecticut to maintain and report information the bill specifies to the Insurance Department upon request. An agent must (1) report the information to the department separately for each company he or she represents and (2) give a copy to each insurer he or she represents. (It is unclear if the agent must give an insurer a copy of the information relating to only that insurer, or a copy of information relating to each insurer he or she represents.)

An insurer and agent must report the number of, and total dollar amount of:

1. bonds executed;
2. bonds declared forfeited;
3. forfeitures discharged, remitted, or otherwise recovered before payment for any reason, including the agent's apprehension of the defendant;
4. forfeited bonds not reinstated under law;
5. forfeitures paid and subsequently recovered by the chief state's attorney's office by discharge, remission, or otherwise; and
6. bonds for which collateral was accepted.

They must also report:

1. a list of every outstanding or unpaid forfeiture, estreature, and judgment, including the case number and court's name for each, and the name of each agency or firm employing the bail bond agent;
2. the actual realized value of collateral converted, excluding the cost of converting it;
3. the cost of converting collateral; and

4. additional information the Insurance Department may require to evaluate the (a) reasonableness of rates or ensure that rates are not excessive, inadequate, or unfairly discriminatory; (b) financial condition or trade practices of agents and insurers executing bail bonds; and (c) performance of the commercial bail bond industry in accordance with appropriate criminal justice system goals and standards.

An insurer must also report:

1. commissions paid,
2. underwriting gain or loss, and
3. net investment gain or loss allocated to funds associated with Connecticut business.

Annual Meeting

The bill requires the commissioner to meet at least annually with a group of agents and insurers, and any other representatives he deems necessary, to discuss these reporting requirements.

§ 13 — PENALTY AND APPEALS

By law, the commissioner may suspend or revoke an agent's license, impose a penalty of up to \$5,000, or both, for violating the current law's provisions. The bill extends this authority when a person violates its provisions.

When an agent's license is surrendered, suspended, or revoked, the bill requires the appointing insurer or managing general agent to immediately designate a licensed and appointed agent to administer the bail bonds the former agent wrote.

By law, a person whose license the commissioner suspended or revoked, or whom the commissioner fined, may appeal. The bill makes the New Britain judicial district the appeal venue, instead of Hartford.

§ 14 — REGULATIONS

The bill authorizes the commissioner to adopt implementing regulations in accordance with law.

BACKGROUND

Bail Bond Agent

Connecticut law defines a “bail bond agent” as a person (1) in the business of furnishing bail in criminal cases or (2) who furnishes bail in five or more criminal cases in one year, whether for compensation or otherwise. There are two types of bondsmen in Connecticut: surety and professional.

A surety bond agent is an independent agent under contract with an insurance company who has authority to execute or countersign bail bonds in criminal cases and has limited personal liability for forfeited bonds. By law, a surety bail bond agent must be licensed by the insurance commissioner and appointed by an insurer to act on its behalf.

A professional bondsman is licensed by the Department of Public Safety, puts up his personal assets as bond security, and has complete personal liability for forfeited bonds.

Related Bill

The Public Safety and Security Committee favorably reported, and changed reference to the Judiciary Committee, sHB 6457, which requires annual firearms refresher training for bail enforcement agents, professional bondsmen, and surety bail bond agents.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/10/2009)