



General Assembly

Amendment

January Session, 2009

LCO No. 8204

HB0635408204HDO

Offered by:

REP. FONTANA, 87th Dist.

SEN. CRISCO, 17th Dist.

REP. GONZALEZ, 3rd Dist.

To: Subst. House Bill No. 6354

File No. 260

Cal. No. 216

"AN ACT REGULATING SURETY BAIL BOND AGENTS."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

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 Section 38a-660 of the general statutes is repealed and the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

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

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

7 (2) "Disqualifying offense" means: (A) A felony; (B) a misdemeanor
8 if an element of the offense involves dishonesty or misappropriation of
9 money or property; or (C) a misdemeanor under section 21a-279, 53a-
10 58, 53a-61, 53a-61a, 53a-62, 53a-63, 53a-96, 53a-173, 53a-175, 53a-176,
11 53a-178 or 53a-181d;

12 [(2)] (3) "Insurer" means any domestic, foreign or alien insurance
13 company [which] that has qualified generally to transact surety

14 business in this state under the requirements of chapter 698 and
15 specifically to transact bail bond business in this state;

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

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

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

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

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

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

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

42 (c) A person shall not in this state solicit or negotiate in respect to
43 execution or delivery of an undertaking of bail or bail bond on behalf

44 of an insurer, or execute or deliver such an undertaking of bail or bail
45 bond on behalf of an insurer unless licensed as provided in this
46 section. Any person who violates the provisions of this subsection shall
47 be guilty of a class D felony.

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

53 (e) Any person desiring to act within this state as a surety bail bond
54 agent shall make a written application to the commissioner for a
55 license in such form and having such supporting documents as the
56 commissioner prescribes. Each application shall be signed by the
57 applicant and shall be accompanied by a nonrefundable filing fee as
58 [determined by the commissioner] specified in section 38a-11, as
59 amended by this act. The applicant [must] shall also submit with the
60 application a complete set of the applicant's fingerprints, certified by
61 an authorized law enforcement officer, and two recent credential-sized
62 full-face photographs of the applicant. At the time of application, each
63 applicant for a license shall forward a copy of the applicant's complete
64 application and supporting documents to the bond forfeiture unit of
65 the Office of the Chief State's Attorney.

66 (f) (1) Every applicant for a license [must] shall file with the
67 commissioner a notice of appointment executed by an insurer or its
68 authorized representative authorizing such applicant to execute
69 undertakings of bail and to solicit and negotiate such undertakings on
70 its behalf.

71 (2) By appointing a surety bail bond agent, an insurer certifies to the
72 commissioner that, to the best of the insurer's knowledge and belief,
73 such person is competent, financially responsible and suitable to serve
74 as a representative of the insurer. Until an insurer has appointed a
75 person as its surety bail bond agent in accordance with this section,

76 such person shall not represent to the public that such person has
77 authority to represent such insurer as its surety bail bond agent. An
78 insurer shall be bound by the acts of such person appointed within the
79 scope of such person's actual or apparent authority as such insurer's
80 agent.

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

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

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

100 (g) An applicant for a license shall be required to appear in person
101 and take a written examination testing the applicant's competency and
102 qualifications to act as a surety bail bond agent. The commissioner
103 may designate an independent testing service to prepare and
104 administer such examination, provided any examination fees charged
105 by such service shall be paid by the applicant. The commissioner shall
106 collect the appropriate examination fee, which shall entitle the
107 applicant to take the examination for the license, except when a testing

108 service is used, the testing service shall pay such fee to the
109 commissioner. In either case, such examination shall be as the
110 commissioner prescribes and shall be of sufficient scope to test the
111 applicant's knowledge of subjects pertinent to the duties and
112 responsibilities of a surety bail bond agent, including all laws and
113 regulations of this state applicable thereto.

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

127 (i) Upon [satisfying himself] the satisfaction of the commissioner
128 that an applicant meets the licensing requirements of this state and is
129 in all respects properly qualified and trustworthy and that the granting
130 of such license is not against the public interest, the commissioner may
131 issue to such applicant, upon payment of the license fee, as specified in
132 section 38a-11, as amended by this act, the license applied for, in such
133 form as he may adopt, to act within this state to the extent therein
134 specified. Such license shall expire on January thirty-first of each even-
135 numbered year.

136 (j) The commissioner may adopt regulations, in accordance with the
137 provisions of chapter 54, relating to the approval of schools offering
138 courses in the duties and responsibilities of surety bail bond agents,
139 the content of such courses and the advertising to the public of the
140 services of these schools.

141 (k) (1) To further the enforcement of this section and sections 3 to 14,
142 inclusive, of this act, and to determine the eligibility of any licensee,
143 the commissioner may, as often as [he] the commissioner deems
144 necessary, examine the books and records of any such licensee. To
145 cover the cost of examinations under this subsection, on or before
146 January thirty-first annually, each person licensed as a surety bail bond
147 agent in this state shall submit to the commissioner a fee of four
148 hundred and fifty dollars.

149 (2) The fees received by the commissioner pursuant to subdivision
150 (1) of this subsection shall be dedicated to conducting the examinations
151 under said subdivision (1) and shall be deposited in the account
152 established under subdivision (3) of this subsection.

153 (3) There is established an account to be known as the "surety bail
154 bond agent examination account", which shall be a separate,
155 nonlapsing account within the Insurance Fund established under
156 section 38a-52a. The account shall contain any moneys required by law
157 to be deposited in the account and any such moneys shall not be
158 transferred to the General Fund.

159 (l) A license may, [in] at the discretion of the commissioner, be
160 renewed or continued upon payment of the appropriate fee, as [the
161 commissioner deems necessary] specified in section 38a-11, as
162 amended by this act, without the resubmittal of the detailed
163 information required in the original application.

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

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

173 (n) Each surety bail bond agent shall provide written notice:

174 (1) To the commissioner, the appointing insurer and the managing
175 general agent not later than thirty days after a change in such surety
176 bail bond agent's principal business address or telephone number;

177 (2) To the commissioner not later than thirty days after a change in
178 such surety bail bond agent's residence address or name; and

179 (3) To the commissioner not later than thirty days after any
180 bankruptcy proceeding by such surety bail bond agent or any
181 administrative action taken against such agent in another state or the
182 entering of the administrative order in that state. The written notice
183 required under this subdivision shall be accompanied by all
184 supporting documentation.

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

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

191 The Insurance Commissioner shall furnish to all courts and to all
192 organized police departments in the state, the names of all persons
193 licensed as surety bail bond agents under this chapter and shall
194 forthwith notify such courts and all such police departments of any
195 change in any such agent's principal business address, telephone
196 number or status or of the suspension or revocation of the license of
197 any such agent to engage in such business.

198 Sec. 3. (NEW) (*Effective October 1, 2009*) (a) No surety bail bond
199 agent shall execute a bail bond without charging the premium rate
200 filed with and approved by the commissioner pursuant to chapter 701
201 of the general statutes.

202 (b) Not later than the tenth day of each month, each surety bail bond

203 agent shall certify to the commissioner under oath, on a form
204 prescribed by the commissioner, that the premium for each surety bail
205 bond executed by such agent was not less than, nor exceeded, the
206 premium rate as filed by the insurer with and approved by the
207 commissioner. The filing of a false certification by a surety bail bond
208 agent shall be grounds for administrative action in accordance with
209 section 38a-774 of the general statutes.

210 (c) Each insurer shall biannually conduct an audit, for the period
211 from January first to June thirtieth and from July first to December
212 thirty-first, of each of its appointed surety bail bond agents to ensure
213 such agents are charging the premium rate as required by subsection
214 (a) of this section. Not later than forty-five days after the closing period
215 of each audit, each insurer shall notify the commissioner of the failure
216 of any surety bail bond agent to charge the filed and approved
217 premium rate. Such notice shall include the name of the surety bail
218 bond agent, the case docket number if assigned, the total amount of the
219 surety bond, the date the surety bond was posted, the five-digit
220 identification code assigned to the insurer by the National Association
221 of Insurance Commissioners and the date the premium was due.

222 (d) Not later than January thirty-first annually, each insurer shall
223 file with the commissioner a statement certifying the total amount of
224 bail bonds executed and the total amount of premiums collected on
225 such bail bonds in the calendar year preceding by such insurer.

226 (e) Nothing in this section shall be construed to prohibit or limit a
227 premium financing arrangement that is in accordance with section 4 of
228 this act.

229 Sec. 4. (NEW) (*Effective October 1, 2009*) If a surety bail bond agent
230 extends credit for a premium financing arrangement, such agent shall
231 require (1) the principal on the bond or any indemnitor to pay a
232 minimum down payment of thirty-five per cent of the premium due, at
233 the filed and approved premium rate required by section 3 of this act,
234 and (2) the principal and any indemnitor to execute a promissory note

235 for the balance of the premium due. Such promissory note shall
236 provide that such balance shall be paid not later than fifteen months
237 from the date of such execution. If such balance has not been paid in
238 full to the surety bail bond agent by the due date or a payment due
239 under such arrangement is more than sixty days in arrears, such agent
240 shall file a verified complaint seeking appropriate relief with the court
241 not later than sixty days after such due date. The surety bail bond
242 agent shall make a diligent effort to obtain judgment not later than one
243 hundred twenty days after filing such complaint on such promissory
244 note unless good cause is shown for failure to obtain judgment,
245 including, but not limited to, the filing for bankruptcy by the
246 defendant or the indemnitor or failure to serve process despite good
247 faith efforts.

248 Sec. 5. (NEW) (*Effective October 1, 2009*) (a) All premiums, return
249 premiums or other funds belonging to insurers or others that are
250 received by a surety bail bond agent under such agent's license shall be
251 deemed trust funds received by such agent in a fiduciary capacity.
252 Such agent shall account for and pay the same to the insurer or persons
253 entitled to such funds.

254 (b) A surety bail bond agent shall keep and make available to the
255 commissioner books, accounts and records as necessary to enable the
256 commissioner to determine whether such agent is complying with
257 applicable law. A surety bail bond agent shall preserve the books,
258 accounts and records pertaining to a premium payment for at least
259 three years after making such payment. Records that are preserved by
260 computer or photographic reproduction or records that are in
261 photographic form shall be deemed to be in compliance with this
262 subsection.

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

267 Sec. 6. (NEW) (*Effective October 1, 2009*) Each surety bail bond agent
268 shall maintain all records of surety bail bonds executed or
269 countersigned by such agent for at least three years after the liability of
270 the insurer has been terminated. Such records shall be open at all times
271 to examination, inspection and photographic reproduction by any
272 employee or agent of the Insurance Department, an authorized
273 representative of the insurer or a managing general agent. The
274 commissioner may require a surety bail bond agent, at any time, to
275 furnish to the Insurance Department, in such manner or form as the
276 commissioner may require, any information concerning the surety bail
277 bond business of such agent.

278 Sec. 7. (NEW) (*Effective October 1, 2009*) (a) All build-up funds
279 posted by a surety bail bond agent or a managing general agent, either
280 with an insurer or a managing general agent representing an insurer,
281 shall be maintained in an individual build-up trust account for the
282 surety bail bond agent by the insurer or the managing general agent.
283 The insurer or managing general agent shall establish the account in a
284 federally insured bank or savings and loan association in this state
285 jointly in the name of the surety bail bond agent and the insurer or
286 managing general agent, or in trust for the surety bail bond agent by
287 the insurer or managing general agent. The account shall be open to
288 inspection and examination by the Insurance Department at all times.
289 The insurer or managing general agent shall maintain an accounting of
290 all build-up funds and such accounting shall designate the amounts
291 collected on each bond executed.

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

297 (c) Build-up funds shall be due upon termination of the surety bail
298 bond agent's contract and discharge of liabilities on the bonds for
299 which the build-up funds were posted. The insurer or managing

300 general agent shall pay the funds to the surety bail bond agent not
301 later than six months after the funds are due.

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

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

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

310 (3) Acceptable forms of collateral security or other indemnity
311 include, but are not limited to, cash or its equivalent, a promissory
312 note, an indemnity agreement, a real property mortgage in the name of
313 the insurer or any Uniform Commercial Code filing. If the surety bail
314 bond agent accepts collateral security or other indemnity on a bond in
315 excess of fifty thousand dollars in cash, the cash amount shall be made
316 payable to the insurer in the form of a cashier's check, United States
317 postal money order, certificate of deposit or wire transfer;

318 (4) The surety bail bond agent shall provide to the person providing
319 the collateral security or other indemnity a written, numbered receipt
320 that describes in a detailed manner the collateral security or other
321 indemnity provided, along with copies of any documents rendered;
322 and

323 (5) The collateral security or other indemnity shall be received and
324 held in the insurer's name by the surety bail bond agent in a fiduciary
325 capacity and, prior to any forfeiture of a bond, shall be kept separate
326 and apart from any other funds or assets of the surety bail bond agent.
327 When collateral security in excess of fifty thousand dollars in cash or
328 its equivalent is received on a bond, the surety bail bond agent shall
329 promptly forward the entire amount to the insurer or managing
330 general agent.

331 (b) Collateral security or other indemnity may be deposited in an
332 interest-bearing account in a federally insured bank or savings and
333 loan association in this state, to accrue to the benefit of the person
334 providing the collateral security or other indemnity. The surety bail
335 bond agent, insurer or managing general agent shall not receive any
336 pecuniary gain on the collateral security or other indemnity deposited.

337 (c) (1) The insurer shall be liable for all collateral security or other
338 indemnity accepted by a surety bail bond agent. If, upon final
339 termination of liability on a bond, the surety bail bond agent or
340 managing general agent fails to return the collateral security or other
341 indemnity to the person that provided it, the insurer shall return the
342 actual collateral or other indemnity to that person or, in the event that
343 the insurer cannot locate the collateral security or other indemnity,
344 shall pay the person in accordance with this section.

345 (2) An insurer's liability as described in subdivision (1) of this
346 subsection shall survive the termination of the surety bail bond agent's
347 appointment, with respect to those bonds that were executed by the
348 surety bail bond agent prior to the termination of the appointment.

349 (d) (1) If a forfeiture of the bond occurs, the surety bail bond agent
350 or insurer shall give the principal on the bond and the person that gave
351 the collateral security or other indemnity thirty days written notice of
352 intent to convert the collateral security or other indemnity into cash to
353 satisfy the forfeiture. The notice shall be sent by certified mail, return
354 receipt requested, to the last-known address of the principal and the
355 person that provided the collateral security or other indemnity.

356 (2) If a stay of execution upon such forfeiture is ordered pursuant to
357 section 54-65a of the general statutes, the surety bail bond agent or
358 insurer shall send such written notice by certified mail, return receipt
359 requested, to the last-known address of the principal and the person
360 that provided the collateral security or other indemnity, at least thirty
361 days prior to the expiration of such stay.

362 (3) The surety bail bond agent or insurer shall convert the collateral

363 security or other indemnity into cash within a reasonable period of
364 time and return that which is in excess of the face value of the bond
365 minus the actual and reasonable expenses of converting the collateral
366 security or other indemnity into cash. Such expenses shall not exceed
367 ten per cent of the face value of the bond. If a surety bail bond agent
368 expends more than ten per cent of the face value of the bond to convert
369 the collateral security or other indemnity into cash, such agent may file
370 an application with the court, which may allow recovery of the full
371 amount of the actual and reasonable expenses upon motion and proof
372 that the actual and reasonable expenses exceed ten per cent of the face
373 value of the bond. If there is a remission of forfeiture that required the
374 insurer to pay the bond, the insurer shall pay to the person that
375 provided the collateral security or other indemnity the value of any
376 collateral security or other indemnity received for the bond minus the
377 actual and reasonable expenses permitted to be recovered under this
378 subsection.

379 (e) A surety bail bond agent or insurer shall not solicit or accept a
380 waiver of any of the provisions of this section or enter into any
381 agreement as to the value of the collateral security or other indemnity.

382 (f) Prior to the appointment of a surety bail bond agent who is
383 currently or was previously appointed by another insurer, the surety
384 bail bond agent shall file with the commissioner a sworn and notarized
385 affidavit, on a form prescribed by the commissioner, stating that: (A)
386 There has been no loss, misappropriation, conversion or theft of any
387 collateral security or other indemnity being held by the agent in trust
388 for any insurer by which the agent is currently or was previously
389 appointed; and (B) all collateral security or other indemnity being held
390 in trust by the agent and all records for any insurer by which the agent
391 is currently or was previously appointed are available for immediate
392 audit and inspection by the commissioner, the insurer, or the
393 managing general agent and will, upon demand of the commissioner
394 or insurer, be transmitted to the insurer for whom the collateral
395 security or other indemnity is being held in trust.

396 Sec. 9. (NEW) (*Effective October 1, 2009*) (a) If collateral security or
397 other indemnity was accepted on a bond by a surety bail bond agent,
398 the insurer, managing general agent or surety bail bond agent shall
399 return the collateral security or other indemnity, except a promissory
400 note or an indemnity agreement, not later than twenty-one days after
401 receipt of a written report from the court that a bond has been
402 terminated. Such collateral security or other indemnity shall be
403 returned to the person that gave the collateral security or other
404 indemnity unless another disposition is provided for by legal
405 assignment of the right to receive the collateral security or other
406 indemnity to another person. If, despite diligent inquiry by the insurer
407 or the insurer's agent to determine that the bond has been terminated,
408 the court fails to provide any written report on termination, the
409 collateral security or other indemnity, except a promissory note or an
410 indemnity agreement, shall be returned to the person that gave the
411 collateral security or other indemnity not later than twenty-one days
412 after the insurer, managing general agent or surety bail bond agent has
413 become aware that the bond has been terminated.

414 (b) No fee or other charge, other than that authorized by law, shall
415 be deducted from the collateral security or other indemnity due.
416 Allowable expenses incurred in the apprehension of a defendant
417 because of a forfeiture of bond or judgment may be deducted if such
418 expenses are accounted for.

419 (c) A violation of this section is:

420 (1) A class A misdemeanor if the collateral security or other
421 indemnity is of a value of less than five hundred dollars;

422 (2) A class D felony if the collateral security or other indemnity is of
423 a value of at least five hundred dollars but less than five thousand
424 dollars;

425 (3) A class C felony if the collateral security or other indemnity is of
426 a value of at least five thousand dollars but less than ten thousand
427 dollars; and

428 (4) A class B felony if the collateral security or other indemnity is of
429 a value of ten thousand dollars or more.

430 Sec. 10. (NEW) (*Effective October 1, 2009*) (a) No insurer, managing
431 general agent or surety bail bond agent shall furnish to any person any
432 blank form, application, stationery, business card or other supplies to
433 be used in the solicitation, negotiation or effectuation of bail bonds
434 unless such person is licensed to act as a surety bail bond agent and is
435 appointed by an insurer as set forth in section 38a-660 of the general
436 statutes, as amended by this act. This section shall not prohibit an
437 unlicensed employee who is under the direct supervision and control
438 of a licensed and appointed surety bail bond agent from possessing or
439 executing in the surety bail bond agent's or insurer's office any form,
440 other than a power of attorney, bond form or collateral security or
441 other indemnity receipt, while acting within the scope of such
442 employee's employment.

443 (b) Any insurer that furnishes any of the supplies set forth in
444 subsection (a) of this section to any surety bail bond agent or other
445 person not appointed by such insurer, and that accepts any bail bond
446 business from or executes any bail bond business for that surety bail
447 bond agent or other person, shall be liable on the bond to the same
448 extent and in the same manner as if the surety bail bond agent or other
449 person had been appointed or authorized by an insurer to act on its
450 behalf.

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

453 (1) In exchange for a fee or other consideration, suggest or advise
454 the employment of or name for employment any particular attorney to
455 represent the principal on a bond;

456 (2) Directly or indirectly solicit business in or on the property or
457 grounds of a correctional institution, community correctional center or
458 other detention facility where arrested persons are confined, or within
459 any police station or courthouse. For purposes of this subdivision,

460 "solicit" includes the distribution of business cards, print advertising or
461 any other written information directed to arrested persons or potential
462 indemnitores, unless a request is initiated by an arrested person or
463 potential indemnitor. Permissible print advertising in or on the
464 property or grounds of a correctional institution, community
465 correctional center or other detention facility where arrested persons
466 are confined, or in or on the property or grounds of any court shall be
467 limited to a listing in a telephone directory and the posting of the
468 surety bail bond agent's name, address and telephone number in a
469 prominent designated location in or on such property or grounds;

470 (3) Wear or otherwise display any identification, other than an
471 Insurance Department-issued or approved license or identification
472 approved by the commissioner, in or on the property or grounds of a
473 correctional institution, community correctional center or other
474 detention facility where arrested persons are confined, or in or on the
475 property or grounds of any court;

476 (4) Pay a fee or rebate or give or promise anything of value to a law
477 enforcement officer, judicial marshal, employee of the Department of
478 Correction or other person who has power to arrest or to hold in
479 custody, or to any public official or public employee, to secure a
480 compromise, remission or reduction of the amount of any bail bond or
481 estreatment of bail;

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

485 (6) Pay a fee or rebate or give or promise anything of value to the
486 principal or to any person on the principal's behalf;

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

489 (8) Accept anything of value from a principal for providing a bail
490 bond, other than the premium at the rate filed with and approved by

491 the commissioner pursuant to chapter 701 of the general statutes and
492 an expense fee, except that the surety bail bond agent may accept
493 collateral security or other indemnity from a principal or other person
494 in accordance with section 9 of this act. No fees, expenses or charges of
495 any kind shall be deducted from the collateral security or other
496 indemnity held or from any return premium due, except as authorized
497 by law. A surety bail bond agent may, upon written agreement with a
498 third party, receive a fee or other compensation for returning to
499 custody an individual who has fled the jurisdiction of the court or
500 caused the forfeiture of a bond;

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

503 (10) Execute a bond in this state if a bond executed by the surety bail
504 bond agent is forfeited and such forfeiture has remained unpaid for at
505 least sixty days after the date payment has become due, unless the full
506 amount of the forfeited bond is paid to the Office of the Chief State's
507 Attorney; or

508 (11) Execute a bond in this state for an arrested person if such
509 arrested person or a person with actual or apparent authority to act on
510 behalf of such arrested person has not authorized such agent, in
511 writing, to execute a bond on such arrested person's behalf.

512 Sec. 12. (NEW) (*Effective October 1, 2009*) (a) Each insurer and each
513 surety bail bond agent that executes bail bonds in this state shall
514 maintain and transmit the following information, based on such
515 insurer's or such agent's Connecticut bail bond business, to the
516 Insurance Department upon request and shall report the information
517 separately for each insurer represented, except that subdivisions (1),
518 (12) and (13) of this subsection shall apply only to insurers:

519 (1) Commissions paid;

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

521 (3) The number of, and the total dollar amount of, bonds ordered
522 forfeited;

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

526 (5) The number of, and the total dollar amount of, forfeitures
527 discharged, remitted or otherwise recovered prior to payment due to
528 the apprehension of the principal on the bond by the surety bail bond
529 agent;

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

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

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

540 (9) The number of, and the total dollar amount of, bonds for which
541 collateral security or other indemnity was received;

542 (10) The actual realized value of collateral security or other
543 indemnity converted, excluding the cost of converting the collateral
544 security or other indemnity;

545 (11) The cost of converting collateral security or other indemnity;

546 (12) The underwriting gain or loss;

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

549 (14) Such additional information as the Insurance Department may
550 require to evaluate the: (A) Reasonableness of rates or ensure that such
551 rates are not excessive, inadequate or unfairly discriminatory; (B)
552 financial condition or trade practices of surety bail bond agents and
553 insurers executing bail bonds; and (C) performance of the surety bail
554 bond agents and insurers executing bail bonds in accordance with
555 appropriate criminal justice system goals and standards.

556 (b) Each surety bail bond agent shall submit a copy of such
557 information to each insurer such agent represents.

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

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

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

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

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

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

582 Any person who violates any provision of sections 29-152e to
583 29-152m, inclusive, [and 38a-660a] shall be guilty of a class D felony.

584 Sec. 16. Subsection (a) of section 38a-11 of the general statutes is
585 repealed and the following is substituted in lieu thereof (*Effective*
586 *October 1, 2009*):

587 (a) The commissioner shall demand and receive the following fees:
588 (1) For the annual fee for each license issued to a domestic insurance
589 company, one hundred dollars; (2) for receiving and filing annual
590 reports of domestic insurance companies, twenty-five dollars; (3) for
591 filing all documents prerequisite to the issuance of a license to an
592 insurance company, one hundred seventy-five dollars, except that the
593 fee for such filings by any health care center, as defined in section 38a-
594 175, shall be one thousand one hundred dollars; (4) for filing any
595 additional paper required by law, fifteen dollars; (5) for each certificate
596 of valuation, organization, reciprocity or compliance, twenty dollars;
597 (6) for each certified copy of a license to a company, twenty dollars; (7)
598 for each certified copy of a report or certificate of condition of a
599 company to be filed in any other state, twenty dollars; (8) for
600 amending a certificate of authority, one hundred dollars; (9) for each
601 license issued to a rating organization, one hundred dollars. In
602 addition, insurance companies shall pay any fees imposed under
603 section 12-211; (10) a filing fee of twenty-five dollars for each initial
604 application for a license made pursuant to section 38a-769; (11) with
605 respect to insurance agents' appointments: (A) A filing fee of twenty-
606 five dollars for each request for any agent appointment, except that no
607 filing fee shall be payable for a request for agent appointment by an
608 insurance company domiciled in a state or foreign country which does
609 not require any filing fee for a request for agent appointment for a
610 Connecticut insurance company; (B) a fee of forty dollars for each
611 appointment issued to an agent of a domestic insurance company or
612 for each appointment continued; and (C) a fee of twenty dollars for

613 each appointment issued to an agent of any other insurance company
614 or for each appointment continued, except that no fee shall be payable
615 for an appointment issued to an agent of an insurance company
616 domiciled in a state or foreign country which does not require any fee
617 for an appointment issued to an agent of a Connecticut insurance
618 company; (12) with respect to insurance producers: (A) An
619 examination fee of seven dollars for each examination taken, except
620 when a testing service is used, the testing service shall pay a fee of
621 seven dollars to the commissioner for each examination taken by an
622 applicant; (B) a fee of forty dollars for each license issued; (C) a fee of
623 forty dollars per year, or any portion thereof, for each license renewed;
624 and (D) a fee of forty dollars for any license renewed under the
625 transitional process established in section 38a-784; (13) with respect to
626 public adjusters: (A) An examination fee of seven dollars for each
627 examination taken, except when a testing service is used, the testing
628 service shall pay a fee of seven dollars to the commissioner for each
629 examination taken by an applicant; and (B) a fee of one hundred
630 twenty-five dollars for each license issued or renewed; (14) with
631 respect to casualty adjusters: (A) An examination fee of ten dollars for
632 each examination taken, except when a testing service is used, the
633 testing service shall pay a fee of ten dollars to the commissioner for
634 each examination taken by an applicant; (B) a fee of forty dollars for
635 each license issued or renewed; and (C) the expense of any
636 examination administered outside the state shall be the responsibility
637 of the entity making the request and such entity shall pay to the
638 commissioner one hundred dollars for such examination and the
639 actual traveling expenses of the examination administrator to
640 administer such examination; (15) with respect to motor vehicle
641 physical damage appraisers: (A) An examination fee of forty dollars
642 for each examination taken, except when a testing service is used, the
643 testing service shall pay a fee of forty dollars to the commissioner for
644 each examination taken by an applicant; (B) a fee of forty dollars for
645 each license issued or renewed; and (C) the expense of any
646 examination administered outside the state shall be the responsibility
647 of the entity making the request and such entity shall pay to the

648 commissioner one hundred dollars for such examination and the
649 actual traveling expenses of the examination administrator to
650 administer such examination; (16) with respect to certified insurance
651 consultants: (A) An examination fee of thirteen dollars for each
652 examination taken, except when a testing service is used, the testing
653 service shall pay a fee of thirteen dollars to the commissioner for each
654 examination taken by an applicant; (B) a fee of two hundred dollars for
655 each license issued; and (C) a fee of one hundred twenty-five dollars
656 for each license renewed; (17) with respect to surplus lines brokers: (A)
657 An examination fee of ten dollars for each examination taken, except
658 when a testing service is used, the testing service shall pay a fee of ten
659 dollars to the commissioner for each examination taken by an
660 applicant; and (B) a fee of five hundred dollars for each license issued
661 or renewed; (18) with respect to fraternal agents, a fee of forty dollars
662 for each license issued or renewed; (19) a fee of thirteen dollars for
663 each license certificate requested, whether or not a license has been
664 issued; (20) with respect to domestic and foreign benefit societies shall
665 pay: (A) For service of process, twenty-five dollars for each person or
666 insurer to be served; (B) for filing a certified copy of its charter or
667 articles of association, five dollars; (C) for filing the annual report, ten
668 dollars; and (D) for filing any additional paper required by law, three
669 dollars; (21) with respect to foreign benefit societies: (A) For each
670 certificate of organization or compliance, four dollars; (B) for each
671 certified copy of permit, two dollars; and (C) for each copy of a report
672 or certificate of condition of a society to be filed in any other state, four
673 dollars; (22) with respect to reinsurance intermediaries [: A] a fee of
674 five hundred dollars for each license issued or renewed; (23) with
675 respect to life settlement providers: (A) A filing fee of thirteen dollars
676 for each initial application for a license made pursuant to section 38a-
677 465a; and (B) a fee of twenty dollars for each license issued or renewed;
678 (24) with respect to life settlement brokers: (A) A filing fee of thirteen
679 dollars for each initial application for a license made pursuant to
680 section 38a-465a; and (B) a fee of twenty dollars for each license issued
681 or renewed; (25) with respect to preferred provider networks, a fee of
682 two thousand five hundred dollars for each license issued or renewed;

683 (26) with respect to rental companies, as defined in section 38a-799, a
684 fee of forty dollars for each permit issued or renewed; (27) with respect
685 to medical discount plan organizations licensed under section 38a-
686 479rr, a fee of five hundred dollars for each license issued or renewed;
687 (28) with respect to pharmacy benefits managers, an application fee of
688 fifty dollars for each registration issued or renewed; (29) with respect
689 to captive insurance companies, as defined in section 38a-91aa, a fee of
690 three hundred dollars for each license issued or renewed; [and] (30)
691 with respect to each duplicate license issued a fee of twenty-five
692 dollars for each license issued; and (31) with respect to surety bail
693 bond agents, as defined in section 38a-660, as amended by this act, (A)
694 a filing fee of twenty-five dollars for each initial application for a
695 license, and (B) a fee of forty dollars for each license issued or renewed.

696 Sec. 17. (NEW) (*Effective October 1, 2009*) No professional bondsman
697 shall directly or indirectly solicit business in or on the property or
698 grounds of a correctional institution, community correctional center or
699 other detention facility where arrested persons are confined, or within
700 any police station or courthouse. For purposes of this section, "solicit"
701 includes the distribution of business cards, print advertising or any
702 other written information directed to arrested persons or potential
703 indemnitors, unless a request is initiated by an arrested person or
704 potential indemnitor. Permissible print advertising in or on the
705 property or grounds of a correctional institution, community
706 correctional center or other detention facility where arrested persons
707 are confined, or in or on the property or grounds of any court shall be
708 limited to a listing in a telephone directory and the posting of the
709 professional bondsman's name, address and telephone number in a
710 prominent designated location in or on such property or grounds.

711 Sec. 18. (NEW) (*Effective October 1, 2009*) Upon the request of a
712 person licensed as (1) a professional bondsman under chapter 533 of
713 the general statutes, (2) a surety bail bond agent under section 38a-660
714 of the general statutes, or (3) a bail enforcement agent under sections
715 29-152f to 29-152i, inclusive, of the general statutes, the Judicial Branch
716 shall verify whether a rearrest warrant or capias issued pursuant to

717 section 54-65a of the general statutes is still outstanding.

718 Sec. 19. (NEW) (*Effective October 1, 2009*) A court shall vacate an
 719 order forfeiting a bond and release the professional bondsman, as set
 720 forth in section 29-144 of the general statutes, the surety bail bond
 721 agent and the insurer, as both terms are defined in section 38a-660 of
 722 the general statutes, if (1) the principal on the bond is detained or
 723 incarcerated in another state, territory or country, (2) the professional
 724 bondsman, the surety bail bond agent or the insurer provides proof of
 725 such detention or incarceration to the court and the state's attorney
 726 prosecuting the case, and (3) the state's attorney prosecuting the case
 727 declines to seek extradition of the principal."

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
Sec. 16	<i>October 1, 2009</i>	38a-11(a)
Sec. 17	<i>October 1, 2009</i>	New section
Sec. 18	<i>October 1, 2009</i>	New section
Sec. 19	<i>October 1, 2009</i>	New section