

Legislative Regulation Review Committee

2009-009

Insurance Department

**PENALTIES APPLICABLE TO BAIL BOND
LICENSEES**

IMPORTANT: Read Instructions on bottom of Certification Page before completing this Form. Failure to comply with instructions may cause disapproval of proposed Regulations.

REGULATION

OF

NAME OF AGENCY
INSURANCE DEPARTMENT

Concerning

PENALTIES APPLICABLE TO BAIL BOND LICENSEES

SECTION 1

Section 1. Section 38a-660-4 of the Regulations of Connecticut State Agencies is amended to read as follows:

§ 38a-660-4. Company appointment

The applicant shall cause the insurer for whom the applicant is to execute undertakings of bail and to solicit and negotiate such undertakings on its behalf to submit to the Licensing Division of the Insurance Department an individual application for appointment together with the appointment application filing fee in accordance with section 38a-11 of the general statutes. ANY APPLICANT WHO EXECUTES UNDERTAKINGS OF BAIL, OR SOLICITS OR NEGOTIATES SUCH UNDERTAKINGS, ON BEHALF OF AN INSURER WITHOUT PREVIOUSLY HAVING PROCURED AN APPOINTMENT FROM SUCH INSURER, OR WITHOUT HAVING CAUSED SUCH INSURER TO PREVIOUSLY FILE WITH THE DEPARTMENT AN INDIVIDUAL APPLICATION FOR APPOINTMENT IN ACCORDANCE WITH THIS SECTION AND SECTION 38a-660-5 OF THE REGULATIONS OF CONNECTICUT STATE AGENCIES, SHALL BE SUBJECT TO A MONETARY PENALTY IN ACCORDANCE WITH SECTION 38a-2 OF THE GENERAL STATUTES.

Section 2. Section 38a-660-5 of the Regulations of Connecticut State Agencies is amended to read as follows:

§ 38a-660-5. Additional insurer appointments

A licensed surety bail bond agent applying to execute undertakings of bail on behalf of an additional insurer for which such agent is not currently appointed shall cause such insurer to submit to the Licensing Division of the Insurance Department an individual application for appointment together with the appointment application filing fee in accordance with section 38a-11 of the general statutes. ANY INSURER THAT ALLOWS A SURETY BAIL BOND AGENT TO PLACE BONDS WITHOUT AN APPOINTMENT, AND ANY SUCH AGENT EXECUTING UNDERTAKINGS OF BAIL, OR SOLICITING OR NEGOTIATING SUCH UNDERTAKINGS, ON BEHALF OF SUCH INSURER WITHOUT PREVIOUSLY HAVING PROCURED AN APPOINTMENT FROM SUCH INSURER, OR WITHOUT HAVING CAUSED SUCH INSURER TO PREVIOUSLY FILE WITH THE DEPARTMENT AN INDIVIDUAL APPLICATION FOR APPOINTMENT IN ACCORDANCE WITH THIS SECTION, SHALL BE SUBJECT TO A MONETARY PENALTY IN ACCORDANCE WITH SECTION 38a-2 OF THE GENERAL STATUTES

Section 3. The Regulations of Connecticut State Agencies are amended by adding Section 38a-660-8 as follows:

(NEW) § 38a-660-8. Forfeited Bond

The Commissioner may suspend the license of any surety bail bond producer issued under the provisions of section 38a-660 of the General Statutes if the Commissioner finds that such producer has failed to, or has contributed to the failure to, pay a forfeited bond to the State. Such license shall remain so suspended and shall not be reinstated nor shall any license be issued to such producer or any other person, partnership, association or corporation of which such producer is an officer, partner, or principal until such forfeited bond is paid in full. Any license suspended pursuant to this section shall be revoked by the Commissioner if the surety bail bond producer whose license has been suspended does not comply with the requirements necessary for reinstatement within one hundred and eighty days from the suspension date.

Statement of purpose: To clarify the penalties applicable to bail bond licensees relating to the placement of bail bonds without proper appointment and to the failure to pay forfeitures when due.

A. The problems, issues or circumstances that the regulation proposes to address. Bail bond agents and insurers have expressed some confusion as to the appointment requirements and consequences for non-compliance. In addition, the Office of the Chief State's Attorney has expressed

STATE OF CONNECTICUT
REGULATION
OF

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NAME OF AGENCY
INSURANCE DEPARTMENT

SECTION 3

concern about the current lack of any consequence for bail bond licensee who fail to pay forfeitures when they become due.

B. Summary of the main provision of the proposed amendment. The amendment provides that (1) bail bond surety agents who place bonds without an appointment from a specific insurer, and insurers allowing such practice, will incur penalties in accordance with Section 38a-2 of the Connecticut General Statutes; and (2) the Insurance Department can suspend and subsequently revoke the licenses of surety bail bond agents who fail to pay forfeitures to the State in a timely manner.

C. The legal effect of the proposed amendment on existing regulations or other laws. There is no impact on existing regulations or other laws.

CERTIFICATION

R-39 REV. 1/77

Be it known that the foregoing:

Regulations Emergency Regulations

Are:

Adopted Amended as hereinabove stated Repealed

By the aforesaid agency pursuant to:

Section 38a-660 of the General Statutes.

Section _____ of the General Statutes, as amended by Public Act No. _____ of the _____ Public Acts.

Public Act No. _____ of the Public Acts.

After publication in the Connecticut Law Journal on Sep. 9, 2008, of the notice of the proposal to:

Adopt Amend Repeal such regulations

(If applicable): And the holding of an advertised public hearing on _____ day of _____ 20 _____

WHEREFORE, the foregoing regulations are hereby:

Adopted Amended as hereinabove stated Repealed

Effective:

When filed with the Secretary of the State.

(OR)

The _____ day of _____ 20 _____

In Witness Whereof:	DATE <u>12/17/08</u>	SIGNED (<i>Head of Board, Agency or Commission</i>) <i>Thomas R. Sullivan</i>	OFFICIAL TITLE, DULY AUTHORIZED INSURANCE COMMISSIONER
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Approved by the Attorney General as to legal sufficiency accordance with Sec. 4-169, as amended, C. G. S. :	SIGNED <i>Will B. ...</i>	DATE <u>1/7/09</u>	OFFICIAL TITLE, DULY AUTHORIZED ASSOC. ATTY GENERAL
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- Approved
- Disapproved
- Disapproved in part, (Indicate Section Numbers disapproved only)
- Rejected without prejudice.

By the Legislative Regulation Review Committee in accordance With Sec. 4-170, as amended, of the General Statutes.	DATE	SIGNED (<i>Clerk of the Legislative Regulation Review Committee</i>)
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Two certified copies received and filed, and one such copy forwarded to the Commission on Official Legal Publications in accordance with Section 4-172, as amended, of the General Statutes.

DATE	SIGNED (<i>Secretary of the State</i>)	BY
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INSTRUCTION

1. One copy of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the Attorney General for his determination of legal sufficiency. Section 4-169 of the General Statutes.
2. Seventeen copies of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the standing Legislative Regulation Review Committee for its approval. Section 4-170 of the General Statutes.
3. Each regulation must be in the form intended for publication and must include the appropriate regulation section number and section heading. Section 4-172 of the General Statutes.
4. Indicate by "(NEW)" in heading if new regulation. Amended regulations must contain new language in capital letters and deleted language in brackets. Section 4-170 of the General Statutes.