



House of Representatives

General Assembly

File No. 635

February Session, 2010

Substitute House Bill No. 5147

House of Representatives, April 26, 2010

The Committee on Finance, Revenue and Bonding reported through REP. STAPLES of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING SURETY BAIL BOND AGENTS AND PROFESSIONAL BONDSMEN.

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 Section 38a-660 of the general statutes is repealed and the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, 2010*):

3 (a) As used in this section, section 38a-660a, as amended by this act,
4 and sections 3 to 14, inclusive, of this act:

5 (1) "Build-up funds" means a percentage of the premium received
6 by a surety bail bond agent for the execution of a bail bond, which are
7 held in a trust account by the insurer or managing general agent;

8 [(1)] (2) "Commissioner" means the Insurance Commissioner;

9 (3) "Disqualifying offense" means: (A) A felony; (B) a misdemeanor
10 if an element of the offense involves dishonesty or misappropriation of
11 money or property; or (C) a misdemeanor under section 21a-279, 53a-

12 58, 53a-61, 53a-61a, 53a-62, 53a-63, 53a-96, 53a-173, 53a-175, 53a-176,
13 53a-178 or 53a-181d;

14 (4) "Estreatment" or "estreature" means the enforcement of a
15 forfeiture of a bail bond due to a failure of the principal to comply with
16 a lawful appearance in court and the court order forfeiting such bail
17 bond;

18 [(2)] (5) "Insurer" means any domestic, foreign or alien insurance
19 company [which] that has qualified generally to transact surety
20 business in this state under the requirements of chapter 698 and
21 specifically to transact bail bond business in this state;

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

26 [(4)] (6) "License" means a surety bail bond agent license issued by
27 the commissioner to a qualified individual as provided in this section;

28 (7) "Managing general agent" means any person appointed or
29 employed by an insurer to supervise or otherwise manage the bail
30 bond business written in this state by surety bail bond agents
31 appointed by such insurer;

32 [(5)] (8) "Solicit" includes any written or printed presentation or
33 advertising made by mail or other publication, or any oral presentation
34 or advertising in person or by means of telephone, radio or television
35 which implies that an individual is licensed under this section, and any
36 activity in arranging for bail which results in compensation to the
37 individual conducting that activity; and

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

41 (9) "Surety bail bond agent" means any person who has been

42 approved by the commissioner and appointed by an insurer by power
43 of attorney to execute or countersign bail bonds for the insurer in
44 connection with judicial proceedings.

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

48 (c) A person shall not in this state solicit or negotiate in respect to
49 execution or delivery of an undertaking of bail or bail bond on behalf
50 of an insurer, or execute or deliver such an undertaking of bail or bail
51 bond on behalf of an insurer unless licensed as provided in this
52 section. No person engaged in law enforcement or vested with police
53 powers shall be licensed as a surety bail bond agent. Any person who
54 violates the provisions of this subsection shall be guilty of a class D
55 felony.

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

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

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

79 (2) By appointing a surety bail bond agent, an insurer certifies to the
80 commissioner that, to the best of the insurer's knowledge and belief,
81 such person is competent, financially responsible and suitable to serve
82 as a representative of the insurer. Until an insurer has appointed a
83 person as its surety bail bond agent in accordance with this section,
84 such person shall not represent to the public that such person has the
85 authority to represent such insurer as its surety bail bond agent. An
86 insurer shall be bound by the acts of such person within the scope of
87 such person's actual or apparent authority as such insurer's agent.

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

92 (B) Upon the termination of a surety bail bond agent's appointment,
93 such agent shall not engage or attempt to engage in any activity
94 requiring such an appointment. An insurer that terminates the
95 appointment of a surety bail bond agent may (i) authorize such agent
96 to take into custody a defendant for whom a bail bond had been
97 executed prior to the termination of such agent's appointment, and (ii)
98 seek discharge of forfeitures and judgments paid by such insurer on
99 behalf of such agent prior to such agent's termination.

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

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

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

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

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

158 (l) [A license may, in the discretion of the] The commissioner [, be
159 renewed or continued] may renew or continue a license upon payment
160 of the appropriate fee, as [the commissioner deems necessary]
161 specified in section 38a-11, as amended by this act, without the
162 resubmittal of the detailed information required in the original
163 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 (m) 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 business name, principal business address or
177 telephone number;

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

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

186 (n) Not later than five days after receiving notice or learning that a
187 surety bail bond agent has been arrested for, pleaded guilty or nolo
188 contendere to, or been found guilty of, a disqualifying offense in this
189 state or an offense in any other state, the essential elements of which
190 are substantially the same as a disqualifying offense, whether
191 judgment was entered or withheld by a court, the insurer, managing
192 general agent or surety bail bond agent shall notify the commissioner
193 in writing of such information.

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

198 Sec. 2. Section 38a-660a of the general statutes is repealed and the
199 following is substituted in lieu thereof (*Effective October 1, 2010*):

200 The Insurance Commissioner shall furnish to all courts and to all
201 organized police departments in the state, the names, principal

202 business addresses and telephone numbers of all persons licensed as
203 surety bail bond agents under this chapter and shall forthwith notify
204 such courts and all such police departments of any change in any such
205 agent's business name, principal business address, telephone number
206 or status or of the suspension or revocation of the license of any such
207 agent to engage in such business.

208 Sec. 3. (NEW) (*Effective October 1, 2010*) (a) No surety bail bond
209 agent shall execute a bail bond without charging the premium rate
210 filed with and approved by the commissioner pursuant to chapter 701
211 of the general statutes.

212 (b) Not later than the tenth day of each month, each surety bail bond
213 agent shall certify to the commissioner under oath, on a form
214 prescribed by the commissioner, that the premium for each surety bail
215 bond executed by such agent in the preceding month was not less
216 than, and did not exceed, the premium rate as filed by the insurer with
217 and approved by the commissioner. The filing of a false certification by
218 a surety bail bond agent shall be grounds for administrative action in
219 accordance with section 38a-774 of the general statutes.

220 (c) Each insurer shall semiannually conduct an audit, for the period
221 from January first to June thirtieth and from July first to December
222 thirty-first, of each of its appointed surety bail bond agents to ensure
223 such agents are charging the premium rate as required by subsection
224 (a) of this section. Not later than forty-five days after the closing period
225 of each audit, each insurer shall notify the commissioner of the failure
226 of any surety bail bond agent to charge the premium rate filed with
227 and approved by the commissioner pursuant to chapter 701 of the
228 general statutes. Such notice shall include the name of the surety bail
229 bond agent, the case docket number if assigned, the total amount of the
230 bail bond, the date the bail bond was executed, the five-digit
231 identification code assigned to the insurer by the National Association
232 of Insurance Commissioners and the date the premium was due.

233 (d) Not later than January thirty-first, annually, each insurer shall
234 file with the commissioner a statement certifying the total amount of

235 bail bonds executed by such insurer and the total amount of premiums
236 collected by such insurer on such bail bonds in the calendar year
237 preceding.

238 (e) Nothing in this section shall be construed to prohibit or limit a
239 premium financing arrangement that complies with section 4 of this
240 act.

241 Sec. 4. (NEW) (*Effective October 1, 2010*) (a) A surety bail bond agent
242 may enter into a premium financing arrangement with a principal or
243 any indemnitor where such agent extends credit to such principal or
244 indemnitor.

245 (b) If a surety bail bond agent enters into a premium financing
246 arrangement, such agent shall require (1) the principal on the bond or
247 any indemnitor to make a minimum down payment of thirty-five per
248 cent of the premium due, at the premium rate filed with and approved
249 by the commissioner pursuant to chapter 701 of the general statutes,
250 and (2) the principal and any indemnitor to execute a promissory note
251 for the balance of the premium due. Such promissory note shall
252 provide that such balance shall be paid not later than fifteen months
253 after the date of the execution of the bond. If such balance has not been
254 paid in full to the surety bail bond agent by the due date or a payment
255 due under such arrangement is more than sixty days in arrears, such
256 agent shall file a verified complaint seeking appropriate relief with the
257 court not later than seventy-five days after such due date. The surety
258 bail bond agent shall make a diligent effort to obtain judgment after
259 filing such complaint on such promissory note unless good cause is
260 shown for failure to obtain judgment, including, but not limited to, the
261 filing for bankruptcy by the principal or the indemnitor or failure to
262 serve process despite good faith efforts.

263 Sec. 5. (NEW) (*Effective October 1, 2010*) (a) All premiums, including
264 any part of a premium that a surety bail bond agent is obligated to
265 return to a principal or indemnitor, and other funds belonging to
266 insurers or others that are received by a surety bail bond agent in
267 performing such agent's duties as a surety bail bond agent shall be

268 deemed trust funds received by such agent in a fiduciary capacity.
269 Such agent shall account for and pay the same to the insurer or persons
270 entitled to such funds pursuant to the surety bail bond agent's contract
271 with the insurer or managing general agent. No fees, expenses or
272 charges of any kind shall be deducted from any premium the surety
273 bail bond agent is obligated to return to a principal or indemnitor,
274 except as authorized under sections 3 to 12, inclusive, of this act.

275 (b) A surety bail bond agent shall keep and make available to the
276 commissioner or the commissioner's designee any books, accounts and
277 records as necessary to enable the commissioner to determine whether
278 such agent is complying with the provisions of sections 3 to 12,
279 inclusive, of this act. A surety bail bond agent shall preserve the books,
280 accounts and records pertaining to a premium payment for at least
281 three years after making such payment. Records that are preserved by
282 photographic or digital reproduction or records that are in
283 photographic or digital form shall be deemed to be in compliance with
284 this subsection.

285 (c) Any surety bail bond agent who diverts or appropriates any of
286 the funds received under subsection (a) of this section for such agent's
287 own use shall be subject to the penalties for larceny under sections 53a-
288 122 to 53a-125b, inclusive, of the general statutes, depending on the
289 amount involved.

290 Sec. 6. (NEW) (*Effective October 1, 2010*) Each surety bail bond agent
291 shall maintain all records of surety bail bonds executed or
292 countersigned by such agent for at least three years after the liability of
293 the insurer has been terminated. Such records shall be open at all times
294 to examination, inspection and photographic or digital reproduction
295 by any employee or agent of the Insurance Department, an authorized
296 representative of the insurer or a managing general agent. The
297 commissioner may require a surety bail bond agent, at any time, to
298 furnish to the Insurance Department, in such manner or form as the
299 commissioner may require, any information concerning the surety bail
300 bond business of such agent.

301 Sec. 7. (NEW) (*Effective October 1, 2010*) (a) A surety bail bond agent
302 or a managing general agent shall post build-up funds with an insurer
303 or managing general agent pursuant to the surety bail bond agent's
304 contract with the insurer or managing general agent or the managing
305 general agent's contract with the insurer, as applicable. The insurer or
306 managing general agent shall establish an individual build-up trust
307 account for the surety bail bond agent in a federally insured bank or
308 savings and loan association in this state, jointly in the name of the
309 surety bail bond agent and the insurer or managing general agent, or
310 in trust for the surety bail bond agent by the insurer or managing
311 general agent. The insurer or managing general agent shall
312 immediately deposit build-up funds received from the surety bail
313 bond agent in the build-up trust account. Interest earned on any such
314 deposits shall accrue to the surety bail bond agent. The account shall
315 be open to inspection and examination by the Insurance Department at
316 all times. The insurer or managing general agent shall maintain an
317 accounting of all build-up funds and such accounting shall designate
318 the amounts collected on each bond executed.

319 (b) Build-up funds shall be used to compensate the insurer or
320 managing general agent for any losses such insurer or managing
321 general agent incurs in the apprehension of a defendant or to pay
322 forfeitures of bail bonds executed by the surety bail bond agent.

323 (c) Build-up funds, as established by the surety bail bond agent's
324 contract with the insurer or managing general agent, shall not exceed
325 forty per cent of the premium.

326 (d) Upon the termination of the surety bail bond agent's contract
327 and discharge of liabilities on the bonds for which the build-up funds
328 were posted, the insurer or managing general agent shall pay the
329 build-up funds, minus the expenses permitted to be recovered by the
330 insurer or managing general agent under subsection (b) of this section,
331 to the surety bail bond agent not later than six months after such
332 termination and discharge of liabilities.

333 Sec. 8. (NEW) (*Effective October 1, 2010*) (a) A surety bail bond agent

334 may receive collateral security or other indemnity on a bail bond.

335 (b) A surety bail bond agent who receives collateral security or other
336 indemnity on a bail bond shall comply with all of the following
337 requirements:

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

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

343 (3) Acceptable forms of collateral security or other indemnity
344 include, but are not limited to, cash or its equivalent, a promissory
345 note, an indemnity agreement, a real property mortgage in the name of
346 the insurer or any Uniform Commercial Code filing. If the surety bail
347 bond agent receives collateral security or other indemnity on a bond in
348 excess of fifty thousand dollars in cash, the cash amount shall be made
349 payable to the insurer in the form of a cashier's check, United States
350 postal money order, certificate of deposit or wire transfer;

351 (4) The surety bail bond agent shall provide to the person providing
352 the collateral security or other indemnity a written, numbered receipt
353 that describes in a detailed manner the collateral security or other
354 indemnity provided, along with copies of any documents rendered;

355 (5) The collateral security or other indemnity shall be received and
356 held in the insurer's name by the surety bail bond agent in a fiduciary
357 capacity and, prior to any forfeiture of a bond, shall be kept separate
358 and apart from any other funds or assets of the surety bail bond agent;
359 and

360 (6) When collateral security in excess of fifty thousand dollars in
361 cash or its equivalent is received on a bond, the surety bail bond agent
362 shall promptly forward the entire amount to the insurer or managing
363 general agent.

364 (c) Collateral security or other indemnity may be deposited by the
365 surety bail bond agent in an interest-bearing account in a federally
366 insured bank or savings and loan association in this state, to accrue to
367 the benefit of the person providing the collateral security or other
368 indemnity. The surety bail bond agent, insurer or managing general
369 agent shall not receive any pecuniary gain on the collateral security or
370 other indemnity deposited.

371 (d) (1) The insurer shall be liable for all collateral security or other
372 indemnity received by a surety bail bond agent. If, upon final
373 termination of liability on a bond, the surety bail bond agent or
374 managing general agent fails to return the collateral security or other
375 indemnity to the person who provided it, the insurer shall return the
376 actual collateral or other indemnity to such person or, in the event that
377 the insurer cannot locate the collateral security or other indemnity,
378 shall pay such person the value of the collateral security or other
379 indemnity.

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

384 (e) (1) If a forfeiture of the bond occurs, the surety bail bond agent
385 or insurer shall give the principal on the bond and the person who
386 provided the collateral security or other indemnity thirty days written
387 notice of intent to convert the collateral security or other indemnity
388 into cash to satisfy the forfeiture. The notice shall be sent by certified
389 mail, return receipt requested, to the last-known address of the
390 principal and the person who provided the collateral security or other
391 indemnity.

392 (2) If a stay of execution upon such forfeiture is ordered pursuant to
393 section 54-65a of the general statutes, the surety bail bond agent or
394 insurer shall send such written notice by certified mail, return receipt
395 requested, to the last-known address of the principal and the person
396 who provided the collateral security or other indemnity, at least thirty

397 days prior to the expiration of such stay.

398 (3) (A) The surety bail bond agent or insurer shall convert the
399 collateral security or other indemnity into cash within a reasonable
400 period of time and return to the principal or the person who provided
401 the collateral security or other indemnity any amount in excess of the
402 face value of the bond, minus the actual and reasonable expenses of
403 converting the collateral security or other indemnity into cash. Such
404 expenses shall not exceed ten per cent of the face value of the bond. If a
405 surety bail bond agent expends more than ten per cent of the face
406 value of the bond to convert the collateral security or other indemnity
407 into cash, such agent may file an application with the court, which may
408 allow recovery of the full amount of the actual and reasonable
409 expenses upon motion and proof that the actual and reasonable
410 expenses exceed ten per cent of the face value of the bond.

411 (B) If a forfeiture of the bond occurs and the insurer paid the bond,
412 the insurer shall pay to the person who provided the collateral security
413 or other indemnity the value of any collateral security or other
414 indemnity received on the bond, minus the actual and reasonable
415 expenses permitted to be recovered under this subsection.

416 (f) A surety bail bond agent or insurer shall not solicit or accept a
417 waiver of any of the provisions of this section or enter into any
418 agreement as to the value of the collateral security or other indemnity
419 that does not reflect the actual value of such collateral security or other
420 indemnity.

421 (g) Prior to the appointment of a surety bail bond agent who is
422 currently or was previously appointed by another insurer, the surety
423 bail bond agent shall file with the commissioner a sworn and notarized
424 affidavit, on a form prescribed by the commissioner, stating that: (1)
425 There has been no loss, misappropriation, conversion or theft of any
426 collateral security or other indemnity being held by the agent in trust
427 for any insurer by which the agent is currently or was previously
428 appointed; (2) all collateral security or other indemnity being held in
429 trust by the agent and all records for any insurer by which the agent is

430 currently or was previously appointed are available for immediate
431 audit and inspection by the commissioner, the insurer, or the
432 managing general agent; and (3) such records will, upon demand of
433 the commissioner or insurer, be transmitted to the insurer for whom
434 the collateral security or other indemnity is being held in trust.

435 Sec. 9. (NEW) (*Effective October 1, 2010*) (a) If collateral security or
436 other indemnity was received on a bond by a surety bail bond agent
437 and such bond is terminated, the insurer, managing general agent or
438 surety bail bond agent shall return the collateral security or other
439 indemnity, except a promissory note or an indemnity agreement, not
440 later than twenty-one days after receipt of a written report from the
441 court that the bond has been terminated. Such collateral security or
442 other indemnity shall be returned to the person who provided the
443 collateral security or other indemnity unless another disposition is
444 provided for by legal assignment to another person of the right to
445 receive the return of the collateral security or other indemnity. If,
446 despite diligent inquiry by the insurer or managing general agent to
447 determine whether the bond has been terminated, the court fails to
448 provide any written report on termination, the collateral security or
449 other indemnity, except a promissory note or an indemnity agreement,
450 shall be returned to the person who provided the collateral security or
451 other indemnity not later than twenty-one days after the insurer,
452 managing general agent or surety bail bond agent has become aware
453 that the bond has been terminated.

454 (b) No fee or other charge, other than as authorized under sections 3
455 to 12, inclusive, of this act, shall be deducted from the collateral
456 security or other indemnity due. Actual expenses incurred by a surety
457 bail bond agent in the apprehension of a defendant because of a
458 forfeiture of bond or judgment may be deducted if such expenses are
459 accounted for.

460 (c) Any person who violates this section shall be subject to the
461 penalties for larceny under sections 53a-122 to 53a-125b, inclusive, of
462 the general statutes, depending on the amount involved.

463 Sec. 10. (NEW) (*Effective October 1, 2010*) (a) No insurer, managing
464 general agent or surety bail bond agent shall furnish to any person any
465 blank form, application, stationery, business card or other supplies to
466 be used in the solicitation, negotiation or execution of bail bonds
467 unless such person is licensed to act as a surety bail bond agent and is
468 appointed by an insurer as required in section 38a-660 of the general
469 statutes, as amended by this act. Except for a power of attorney form, a
470 bond appearance form, a collateral security receipt or other indemnity
471 receipt, this section shall not prohibit an unlicensed employee who is
472 under the direct supervision and control of a licensed and appointed
473 surety bail bond agent from possessing or working with any other
474 form used in the surety bail bond agent's or insurer's office's daily
475 business activities.

476 (b) Any insurer that furnishes any of the supplies set forth in
477 subsection (a) of this section to any surety bail bond agent or other
478 person not appointed by such insurer, and that accepts any bail bond
479 business from or executes any bail bond business for such surety bail
480 bond agent or other person, shall be liable on the bond to the same
481 extent and in the same manner as if the surety bail bond agent or other
482 person had been appointed or authorized by such insurer to act on its
483 behalf.

484 Sec. 11. (NEW) (*Effective October 1, 2010*) No surety bail bond agent
485 or insurer shall:

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

489 (2) Directly or indirectly solicit business, unless a request is initiated
490 by an arrested person or potential indemnitor, in or on the property or
491 grounds of a correctional institution, community correctional center or
492 other detention facility where arrested persons are confined, or within
493 any police station or courthouse. For purposes of this subdivision,
494 "solicit" includes the distribution of business cards, print advertising or
495 any other written information directed to arrested persons or potential

496 indemnitors. Permissible print advertising in or on the property or
497 grounds of a correctional institution, community correctional center or
498 other detention facility where arrested persons are confined, or in or
499 on the property or grounds of any courthouse shall be limited to a
500 listing in a telephone directory and the posting of the surety bail bond
501 agent's name, address and telephone number in a prominent
502 designated location in or on such property or grounds;

503 (3) Wear or otherwise display any surety bail bond agent
504 identification, other than a surety bail bond agent license or surety bail
505 bond agent identification issued or approved by the Insurance
506 Commissioner, in or on the property or grounds of a correctional
507 institution, community correctional center or other detention facility
508 where arrested persons are confined, or in or on the property or
509 grounds of any courthouse;

510 (4) Pay a fee or rebate or give or promise anything of value to a law
511 enforcement officer, judicial marshal, employee of the Department of
512 Correction or other person who has power to arrest or to hold a person
513 in custody, or to any other public official or public employee, to secure
514 a compromise, remission or reduction of the amount of any bail bond
515 or estreatment of bail;

516 (5) Pay a fee or rebate or give or promise anything of value to an
517 attorney in any matter pertaining to a bail bond, except in defense of
518 any action on a bond;

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

521 (7) Participate in the capacity of an attorney at a proceeding of a
522 principal, in violation of section 51-88 of the general statutes;

523 (8) Accept anything of value from a principal for providing a bail
524 bond, other than the premium at the rate filed with and approved by
525 the commissioner pursuant to chapter 701 of the general statutes and
526 an expense fee, except that the surety bail bond agent may accept

527 collateral security or other indemnity from a principal or other person
528 in accordance with section 9 of this act. A surety bail bond agent may,
529 upon written agreement with a third party, receive a fee or other
530 compensation for returning to custody an individual who has fled the
531 jurisdiction of the court or whose bond has been forfeited;

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

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

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

543 Sec. 12. (NEW) (*Effective October 1, 2010*) (a) Each insurer and each
544 surety bail bond agent that executes bail bonds in this state shall
545 maintain and transmit the following information, based on such
546 insurer's or such agent's Connecticut bail bond business, to the
547 Insurance Department upon request and, with respect to a surety bail
548 bond agent, shall report the information separately for each insurer
549 represented, except that subdivisions (1), (12) and (13) of this
550 subsection shall apply only to insurers:

551 (1) Commissions paid;

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

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

555 (4) The number of, and the total dollar amount of, forfeitures
556 discharged, remitted or otherwise recovered prior to payment for any

557 reason;

558 (5) The number of, and the total dollar amount of, forfeitures
559 discharged, remitted or otherwise recovered prior to payment due to
560 the apprehension of the principal on the bond by the surety bail bond
561 agent;

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

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

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

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

574 (10) The actual value of collateral security or other indemnity
575 converted, excluding the cost of converting the collateral security or
576 other indemnity;

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

578 (12) The underwriting gain or loss;

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

581 (14) Such additional information as the Insurance Department may
582 require to: (A) Evaluate the reasonableness of rates or ensure that such
583 rates are not excessive, inadequate or unfairly discriminatory; (B)
584 evaluate the financial condition or trade practices of surety bail bond
585 agents and insurers executing bail bonds; and (C) evaluate the

586 performance of the surety bail bond agents and insurers executing bail
587 bonds in accordance with appropriate criminal justice system goals
588 and standards.

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

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

595 Sec. 13. (NEW) (*Effective October 1, 2010*) (a) The commissioner may
596 suspend or revoke the license of a surety bail bond agent, or may
597 impose a fine in lieu of or in addition to such suspension or revocation
598 in accordance with section 38a-774 of the general statutes for any
599 violation of section 38a-660 of the general statutes, as amended by this
600 act, and sections 3 to 12, inclusive, of this act.

601 (b) Upon the surrender, suspension or revocation of a surety bail
602 bond agent's license, the appointing insurer or managing general agent
603 shall immediately designate a licensed and appointed surety bail bond
604 agent to administer all bail bonds previously executed by the licensee.

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

608 Sec. 14. (NEW) (*Effective October 1, 2010*) The commissioner may
609 adopt regulations, in accordance with the provisions of chapter 54 of
610 the general statutes, to implement the provisions of section 38a-660 of
611 the general statutes, as amended by this act, and sections 3 to 12,
612 inclusive, of this act.

613 Sec. 15. Section 29-152n of the general statutes is repealed and the
614 following is substituted in lieu thereof (*Effective from passage*):

615 Any person who violates any provision of sections 29-152e to

616 29-152m, inclusive, [and 38a-660a] shall be guilty of a class D felony.

617 Sec. 16. Subsection (a) of section 38a-11 of the 2010 supplement to
618 the general statutes is repealed and the following is substituted in lieu
619 thereof (*Effective October 1, 2010*):

620 (a) The commissioner shall demand and receive the following fees:
621 (1) For the annual fee for each license issued to a domestic insurance
622 company, two hundred dollars; (2) for receiving and filing annual
623 reports of domestic insurance companies, fifty dollars; (3) for filing all
624 documents prerequisite to the issuance of a license to an insurance
625 company, two hundred twenty dollars, except that the fee for such
626 filings by any health care center, as defined in section 38a-175, shall be
627 one thousand three hundred fifty dollars; (4) for filing any additional
628 paper required by law, thirty dollars; (5) for each certificate of
629 valuation, organization, reciprocity or compliance, forty dollars; (6) for
630 each certified copy of a license to a company, forty dollars; (7) for each
631 certified copy of a report or certificate of condition of a company to be
632 filed in any other state, forty dollars; (8) for amending a certificate of
633 authority, two hundred dollars; (9) for each license issued to a rating
634 organization, two hundred dollars. In addition, insurance companies
635 shall pay any fees imposed under section 12-211; (10) a filing fee of
636 fifty dollars for each initial application for a license made pursuant to
637 section 38a-769; (11) with respect to insurance agents' appointments:
638 (A) A filing fee of fifty dollars for each request for any agent
639 appointment, except that no filing fee shall be payable for a request for
640 agent appointment by an insurance company domiciled in a state or
641 foreign country which does not require any filing fee for a request for
642 agent appointment for a Connecticut insurance company; (B) a fee of
643 one hundred dollars for each appointment issued to an agent of a
644 domestic insurance company or for each appointment continued; and
645 (C) a fee of eighty dollars for each appointment issued to an agent of
646 any other insurance company or for each appointment continued,
647 except that (i) no fee shall be payable for an appointment issued to an
648 agent of an insurance company domiciled in a state or foreign country
649 which does not require any fee for an appointment issued to an agent

650 of a Connecticut insurance company, and (ii) the fee shall be twenty
651 dollars for each appointment issued or continued to an agent of an
652 insurance company domiciled in a state or foreign country with a
653 premium tax rate below Connecticut's premium tax rate; (12) with
654 respect to insurance producers: (A) An examination fee of fifteen
655 dollars for each examination taken, except when a testing service is
656 used, the testing service shall pay a fee of fifteen dollars to the
657 commissioner for each examination taken by an applicant; (B) a fee of
658 eighty dollars for each license issued; (C) a fee of eighty dollars per
659 year, or any portion thereof, for each license renewed; and (D) a fee of
660 eighty dollars for any license renewed under the transitional process
661 established in section 38a-784; (13) with respect to public adjusters: (A)
662 An examination fee of fifteen dollars for each examination taken,
663 except when a testing service is used, the testing service shall pay a fee
664 of fifteen dollars to the commissioner for each examination taken by an
665 applicant; and (B) a fee of two hundred fifty dollars for each license
666 issued or renewed; (14) with respect to casualty adjusters: (A) An
667 examination fee of twenty dollars for each examination taken, except
668 when a testing service is used, the testing service shall pay a fee of
669 twenty dollars to the commissioner for each examination taken by an
670 applicant; (B) a fee of eighty dollars for each license issued or renewed;
671 and (C) the expense of any examination administered outside the state
672 shall be the responsibility of the entity making the request and such
673 entity shall pay to the commissioner two hundred dollars for such
674 examination and the actual traveling expenses of the examination
675 administrator to administer such examination; (15) with respect to
676 motor vehicle physical damage appraisers: (A) An examination fee of
677 eighty dollars for each examination taken, except when a testing
678 service is used, the testing service shall pay a fee of eighty dollars to
679 the commissioner for each examination taken by an applicant; (B) a fee
680 of eighty dollars for each license issued or renewed; and (C) the
681 expense of any examination administered outside the state shall be the
682 responsibility of the entity making the request and such entity shall
683 pay to the commissioner two hundred dollars for such examination
684 and the actual traveling expenses of the examination administrator to

685 administer such examination; (16) with respect to certified insurance
686 consultants: (A) An examination fee of twenty-six dollars for each
687 examination taken, except when a testing service is used, the testing
688 service shall pay a fee of twenty-six dollars to the commissioner for
689 each examination taken by an applicant; (B) a fee of two hundred fifty
690 dollars for each license issued; and (C) a fee of two hundred fifty
691 dollars for each license renewed; (17) with respect to surplus lines
692 brokers: (A) An examination fee of twenty dollars for each
693 examination taken, except when a testing service is used, the testing
694 service shall pay a fee of twenty dollars to the commissioner for each
695 examination taken by an applicant; and (B) a fee of six hundred
696 twenty-five dollars for each license issued or renewed; (18) with
697 respect to fraternal agents, a fee of eighty dollars for each license
698 issued or renewed; (19) a fee of twenty-six dollars for each license
699 certificate requested, whether or not a license has been issued; (20)
700 with respect to domestic and foreign benefit societies shall pay: (A) For
701 service of process, fifty dollars for each person or insurer to be served;
702 (B) for filing a certified copy of its charter or articles of association,
703 fifteen dollars; (C) for filing the annual report, twenty dollars; and (D)
704 for filing any additional paper required by law, fifteen dollars; (21)
705 with respect to foreign benefit societies: (A) For each certificate of
706 organization or compliance, fifteen dollars; (B) for each certified copy
707 of permit, fifteen dollars; and (C) for each copy of a report or certificate
708 of condition of a society to be filed in any other state, fifteen dollars;
709 (22) with respect to reinsurance intermediaries, [; A] a fee of six
710 hundred twenty-five dollars for each license issued or renewed; (23)
711 with respect to life settlement providers: (A) A filing fee of twenty-six
712 dollars for each initial application for a license made pursuant to
713 section 38a-465a; and (B) a fee of forty dollars for each license issued or
714 renewed; (24) with respect to life settlement brokers: (A) A filing fee of
715 twenty-six dollars for each initial application for a license made
716 pursuant to section 38a-465a; and (B) a fee of forty dollars for each
717 license issued or renewed; (25) with respect to preferred provider
718 networks, a fee of two thousand seven hundred fifty dollars for each
719 license issued or renewed; (26) with respect to rental companies, as

720 defined in section 38a-799, a fee of eighty dollars for each permit
721 issued or renewed; (27) with respect to medical discount plan
722 organizations licensed under section 38a-479rr, a fee of six hundred
723 twenty-five dollars for each license issued or renewed; (28) with
724 respect to pharmacy benefits managers, an application fee of one
725 hundred dollars for each registration issued or renewed; (29) with
726 respect to captive insurance companies, as defined in section 38a-91aa,
727 a fee of three hundred seventy-five dollars for each license issued or
728 renewed; [and] (30) with respect to each duplicate license issued a fee
729 of fifty dollars for each license issued; and (31) with respect to surety
730 bail bond agents, as defined in section 38a-660, as amended by this act,
731 (A) a filing fee of one hundred fifty dollars for each initial application
732 for a license, and (B) a fee of one hundred dollars for each license
733 issued or renewed.

734 Sec. 17. Section 29-145 of the general statutes is repealed and the
735 following is substituted in lieu thereof (*Effective October 1, 2010*):

736 Any person desiring to engage in the business of a professional
737 bondsman shall apply to the Commissioner of Public Safety for a
738 license. [therefor.] Such application shall set forth under oath the full
739 name, age, residence, telephone number and occupation of the
740 applicant, whether the applicant intends to engage in the business of a
741 professional bondsman individually or in partnership or association
742 with another or others, and, if so, the identity of each. It shall also set
743 forth under oath a statement of the assets and liabilities of the
744 applicant, and whether the applicant has been charged with or
745 convicted of crime, and such other information, including fingerprints
746 and photographs, as said commissioner from time to time may require.
747 The commissioner shall require the applicant to submit to state and
748 national criminal history records checks. The criminal history records
749 checks required pursuant to this section shall be conducted in
750 accordance with section 29-17a. No person who has been convicted of
751 a felony shall be licensed to do business as a professional bondsman in
752 this state. No person engaged in law enforcement or vested with police
753 powers shall be licensed to do business as a professional bondsman.

754 Sec. 18. Section 29-148 of the general statutes is repealed and the
755 following is substituted in lieu thereof (*Effective October 1, 2010*):

756 Each professional bondsman licensed under the provisions of this
757 chapter shall: [forthwith inform] (1) Inform the Commissioner of
758 Public Safety, in writing, of (A) a change in such professional
759 bondsman's name, residence address or telephone number, not later
760 than thirty days after such change, and (B) any material change in [his]
761 such professional bondsman's assets or liabilities affecting [his] such
762 bondsman's responsibility as a bondsman; and [shall] (2) at any time,
763 upon request of said commissioner, furnish [him] said commissioner
764 with a statement under oath of [his] such professional bondsman's
765 assets and liabilities, including all bonds on which such bondsman is
766 obligated.

767 Sec. 19. Section 29-149 of the general statutes is repealed and the
768 following is substituted in lieu thereof (*Effective October 1, 2010*):

769 The Commissioner of Public Safety shall furnish to all courts and to
770 all town, city and borough departments in the state, having authority
771 to accept bail, the names, residence addresses and telephone numbers
772 of all professional bondsmen licensed under the provisions of this
773 chapter and shall forthwith notify such courts and all such town, city
774 and borough departments of any change in any such bondsman's
775 name, residence address, telephone number or status or of the
776 suspension or revocation of any bondsman's license to engage in such
777 business.

778 Sec. 20. Section 29-152 of the general statutes is repealed and the
779 following is substituted in lieu thereof (*Effective October 1, 2010*):

780 Any person who violates any provision of [this chapter] sections 29-
781 145, as amended by this act, 29-148, as amended by this act, 29-150 and
782 29-151 shall be fined not more than one thousand dollars or
783 imprisoned not more than two years or both and [his] such person's
784 right to engage in the business of a professional bondsman in this state
785 shall thereupon be permanently forfeited.

786 Sec. 21. (NEW) (*Effective October 1, 2010*) To carry out the provisions
787 of sections 29-144 to 29-151, inclusive, of the general statutes, as
788 amended by this act, and sections 22 and 23 of this act, the
789 Commissioner of Public Safety may:

790 (1) As often as the commissioner deems necessary, inspect the books
791 and records of any professional bondsman. Said commissioner may
792 consult with the Insurance Commissioner to carry out such
793 inspections. The Commissioner of Public Safety may adopt
794 regulations, in accordance with chapter 54 of the general statutes, to
795 (A) establish procedures for such inspections, (B) specify the content
796 and form of books and records required to be kept by professional
797 bondsmen, or (C) require a fee to be paid by professional bondsmen to
798 cover the cost of inspections; and

799 (2) Adopt regulations, in accordance with chapter 54 of the general
800 statutes, to carry out the provisions of sections 29-144 to 29-151,
801 inclusive, of the general statutes, as amended by this act, and sections
802 22 and 23 of this act.

803 Sec. 22. (NEW) (*Effective October 1, 2010*) No professional bondsman
804 shall:

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

808 (2) Directly or indirectly solicit business, unless a request is initiated
809 by an arrested person or potential indemnitor, in or on the property or
810 grounds of a correctional institution, community correctional center or
811 other detention facility where arrested persons are confined, or within
812 any police station or courthouse. For purposes of this subdivision,
813 "solicit" includes the distribution of business cards, print advertising or
814 any other written information directed to arrested persons or potential
815 indemnitors. Permissible print advertising in or on the property or
816 grounds of a correctional institution, community correctional center or
817 other detention facility where arrested persons are confined, or in or

818 on the property or grounds of any courthouse shall be limited to a
819 listing in a telephone directory and the posting of the professional
820 bondsman's name, address and telephone number in a prominent
821 designated location in or on such property or grounds;

822 (3) Wear or otherwise display any professional bondsman
823 identification, other than a professional bondsman license or
824 professional bondsman identification issued or approved by the
825 Commissioner of Public Safety, in or on the property or grounds of a
826 correctional institution, community correctional center or other
827 detention facility where arrested persons are confined, or in or on the
828 property or grounds of any courthouse;

829 (4) Pay a fee or rebate or give or promise anything of value to a law
830 enforcement officer, judicial marshal, employee of the Department of
831 Correction or other person who has power to arrest or to hold a person
832 in custody, or to any other public official or public employee to secure
833 a compromise, remission or reduction of the amount of any bail bond
834 or estreatment of bail;

835 (5) Pay a fee or rebate or give or promise anything of value to an
836 attorney in any matter pertaining to a bail bond, except in defense of
837 any action on a bond;

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

840 (7) Participate in the capacity of an attorney at a proceeding of a
841 principal, in violation of section 51-88 of the general statutes;

842 (8) Accept anything of value from a principal for providing a bail
843 bond, other than the commission or fee authorized under section 29-
844 151 of the general statutes, except that the professional bondsman may
845 accept collateral security or other indemnity on a bond from a
846 principal or other person in accordance with section 23 of this act. A
847 professional bondsman may, upon written agreement with a third
848 party, receive a fee or other compensation for returning to custody an

849 individual who has fled the jurisdiction of the court or whose bond has
850 been forfeited;

851 (9) Execute a bond in this state on such professional bondsman's
852 own behalf;

853 (10) Execute a bond in this state if a bond executed by the
854 professional bondsman is forfeited and such forfeiture has remained
855 unpaid for at least sixty days after the date payment has become due,
856 unless the full amount of the forfeited bond is paid to and as directed
857 by the Office of the Chief State's Attorney; or

858 (11) Execute a bond in this state for an arrested person if such
859 arrested person or a person with actual or apparent authority to act on
860 behalf of such arrested person has not authorized such bondsman, in
861 writing, to execute a bond on such arrested person's behalf.

862 Sec. 23. (NEW) (*Effective October 1, 2010*) (a) A professional
863 bondsman may accept collateral security or other indemnity on a bail
864 bond.

865 (b) If collateral security or other indemnity was received on a bail
866 bond by a professional bondsman and such bond is terminated, such
867 bondsman shall return the collateral security or other indemnity,
868 except a promissory note or an indemnity agreement, not later than
869 twenty-one days after receipt of a written report from the court that
870 the bond has been terminated. Such collateral security or other
871 indemnity shall be returned to the person who gave the collateral
872 security or other indemnity unless another disposition is provided for
873 by legal assignment to another person of the right to receive the return
874 of the collateral security or other indemnity. If, despite diligent inquiry
875 by the professional bondsman to determine whether the bond has been
876 terminated, the court fails to provide any written report on
877 termination, the collateral security or other indemnity, except a
878 promissory note or an indemnity agreement, shall be returned to the
879 person who provided the collateral security or other indemnity not
880 later than twenty-one days after the professional bondsman has

881 become aware that the bond has been terminated.

882 (c) No fee or other charge shall be deducted from the collateral
 883 security or other indemnity due, except that actual and reasonable
 884 expenses incurred by a professional bondsman in the apprehension of
 885 a defendant because of a forfeiture of bond or judgment may be
 886 deducted if such expenses are accounted for.

887 (d) Any person who violates this section shall be subject to the
 888 penalties for larceny under sections 53a-122 to 53a-125b, inclusive, of
 889 the general statutes, depending on the amount involved.

890 Sec. 24. (NEW) (*Effective October 1, 2010*) Upon the request of a
 891 person licensed as (1) a professional bondsman under chapter 533 of
 892 the general statutes, (2) a surety bail bond agent under section 38a-660
 893 of the general statutes, as amended by this act, or (3) a bail
 894 enforcement agent under sections 29-152f to 29-152i, inclusive, of the
 895 general statutes, the Judicial Branch shall verify whether a rearrest
 896 warrant or *capias* issued pursuant to section 54-65a of the general
 897 statutes is still outstanding.

898 Sec. 25. (NEW) (*Effective October 1, 2010*) A court shall vacate an
 899 order forfeiting a bond and release the professional bondsman, as
 900 defined in section 29-144 of the general statutes, the surety bail bond
 901 agent and the insurer, as both terms are defined in section 38a-660 of
 902 the general statutes, as amended by this act, if (1) the principal on the
 903 bond is detained or incarcerated in another state, territory or country,
 904 (2) the professional bondsman, the surety bail bond agent or the
 905 insurer provides proof of such detention or incarceration to the court
 906 and the state's attorney prosecuting the case, and (3) the state's
 907 attorney prosecuting the case declines to seek extradition of the
 908 principal.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2010</i>	38a-660

Sec. 2	<i>October 1, 2010</i>	38a-660a
Sec. 3	<i>October 1, 2010</i>	New section
Sec. 4	<i>October 1, 2010</i>	New section
Sec. 5	<i>October 1, 2010</i>	New section
Sec. 6	<i>October 1, 2010</i>	New section
Sec. 7	<i>October 1, 2010</i>	New section
Sec. 8	<i>October 1, 2010</i>	New section
Sec. 9	<i>October 1, 2010</i>	New section
Sec. 10	<i>October 1, 2010</i>	New section
Sec. 11	<i>October 1, 2010</i>	New section
Sec. 12	<i>October 1, 2010</i>	New section
Sec. 13	<i>October 1, 2010</i>	New section
Sec. 14	<i>October 1, 2010</i>	New section
Sec. 15	<i>from passage</i>	29-152n
Sec. 16	<i>October 1, 2010</i>	38a-11(a)
Sec. 17	<i>October 1, 2010</i>	29-145
Sec. 18	<i>October 1, 2010</i>	29-148
Sec. 19	<i>October 1, 2010</i>	29-149
Sec. 20	<i>October 1, 2010</i>	29-152
Sec. 21	<i>October 1, 2010</i>	New section
Sec. 22	<i>October 1, 2010</i>	New section
Sec. 23	<i>October 1, 2010</i>	New section
Sec. 24	<i>October 1, 2010</i>	New section
Sec. 25	<i>October 1, 2010</i>	New section

FIN *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
Insurance Dept.	GF - Revenue Gain	17,900	20,590
Insurance Dept.	IF - Revenue Gain	See Below	See Below

Note: GF=General Fund; IF=Insurance Fund

Municipal Impact: None

Explanation

The bill results in a Department of Insurance (DOI) General Fund revenue gain of \$17,900 in FY 11 and \$20,590 in FY 12 from an increase in surety bail bond agent filing, initial and renewal license fees and from the anticipated increase in fines of surety bail bond agents.

The bill changes the surety bail bond agent filing fee for an initial license from \$50 to \$150. It is anticipated that there would be approximately 16 new agents filing for licenses in FY 11 and FY 12¹, resulting in a net revenue gain of \$1,600 in each fiscal year. The fees for initial and renewal licenses are also increased under the bill, from \$80 to \$100, resulting in a net revenue gain of \$320 in FY 11 and \$11,160 in FY 12. This revenue gain results from the issuance of 16 initial licenses in each fiscal year and 542 renewal licenses in FY 12 (license are renewed in even-number years).

Under the bill, surety bail bond agent requirements are expanded, which is anticipated to increase the DOI's imposition of fines, leading

¹ There are 526 surety bail bond agents currently licensed by DOI, an increase of 31 licensees from FY 09. It is anticipated that this increase in new licensees will diminish in FY 11 and FY 12, due to the strengthened requirements under the bill, resulting in 16 new licenses in FY 11 (542) and FY 12 (558).

to \$16,300 in new General Fund revenue in FY 11 and \$8,150 in FY 12².

The bill establishes a separate, non-lapsing³ “surety bail bond agent examination account” within the Insurance Fund for the purpose of covering consultant costs for the examination of the books and records of surety bail bond licensees (the average cost of such examinations in FY 09 was \$13,000 per exam). Licensed surety bail bond agents are required to pay an annual fee of \$450 to DOI under the bill, resulting in a revenue gain of \$243,675 in FY 11 and \$250,650 in FY 12 in this account. Using these funds, an average of 19 examinations of surety bail bond agents could be conducted in FY 11 and FY 12.

The Out Years

The ongoing fiscal impact identified above would continue into the future subject to the number of surety bail bond initial and renewal licenses issued by DOI. As licensed surety bail bond agents adjust to the new provisions under the bill, it is anticipated that the increase in General Fund revenue from fines will plateau in the out-years. Funds in the surety bail bond agent examination account will fluctuate dependent upon the number of surety bail bond agent licensees in the out-years.

² The maximum penalty the agency can impose on bail bond agents (\$5,000) does not change under the bill, but it is anticipated that alignment of bail bond practices to the new regulations will be staggered, leading to a doubling of fines in FY 11 and a 50% increase in fines in FY 12. DOI deposited \$2.14 million from fines and penalties in the General Fund in FY 09.

³ A “lapse” refers to an appropriated amount which an agency does not, or cannot, spend by the end of the fiscal year and which is not carried forward into the next fiscal year. The funds unexpended at the end of the fiscal year in a “non-lapsing” account remain in that account for use in subsequent years.

OLR Bill Analysis**sHB 5147*****AN ACT CONCERNING SURETY BAIL BOND AGENTS AND PROFESSIONAL BONDSMEN.*****SUMMARY:**

This bill makes changes to, and adds new, requirements for surety bail bond agents and professional bail bondsmen. (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. A professional bondsman puts up personal assets as bond security and is under the public safety commissioner's regulatory authority.)

The bill expands 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.

The bill also (1) restricts bail bond solicitation by professional bondsmen in the same way as for surety bail bond agents, (2) establishes collateral security requirements for them, and (3) allows the public safety commissioner to (a) examine professional bondsmen records and (b) adopt implementing regulations.

The bill also makes technical, minor, and conforming changes.

EFFECTIVE DATE: October 1, 2010, except the provision that

eliminates a penalty if the insurance commissioner does not give courts and police departments information concerning licensed surety bail bond agents is effective upon passage.

§§ 1 & 16 — SURETY BAIL BOND AGENT LICENSING, APPOINTMENTS, AND EXAMINATION OF BOOKS

By law, no one can act as a surety bail bond 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 criminal history records check. By law, anyone acting as an agent without a license is guilty of a class D felony, punishable by one to five years in prison, a fine of up to \$5,000, or both.

The bill prohibits a person engaged in law enforcement or vested with police powers from being licensed as a surety bail bond agent.

Disqualifying Offense

The bill expands the list of convictions that disqualify a person from being licensed as an agent. It 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, disabled, pregnant, or mentally retarded 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.

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 a 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.

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. The bill specifies that the appointment notice is filed 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 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.

Examination of Books and Records

The bill permits the insurance commissioner to examine a surety bail bond 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 agents to pay the commissioner a \$450 fee by January 31 each year to cover the costs of these examinations. The commissioner must deposit the fees in a surety bail bond agent examination account, which the bill creates as a separate, non-lapsing account in the Insurance Fund. The account must contain any money required to be deposited in it, and its assets cannot be transferred to the General Fund. The commissioner must use the money for examinations.

Change in Address or Telephone Number

The bill requires an agent to give written notice to the commissioner within 30 days of (1) changing his or her name or residence address or (2) any bankruptcy proceeding by the agent or any administrative action or order against the agent in another state (the notice must also include all supporting documentation). It requires an agent to give written notice within 30 days of changing his or her business name, principal business address, or telephone number to the commissioner, appointing insurer, and managing general agent.

License Fees

The bill sets the surety bail bondsman licensing fees at (1) \$150 for filing an initial license application and (2) \$100 for issuing or renewing a license. Under current law, the commissioner sets these fees. The bill requires a license applicant to pay the license fees before the commissioner issues the license. It specifies that a license expires on January 31 of even-numbered years.

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

By law, the insurance commissioner must give all courts and police departments in Connecticut a list of licensed surety bail bond agents and notify them of any change in the agent's status. The bill requires him to also (1) provide them the agent's principal business address and telephone number and (2) notify them of a change in the agent's business name, address, or telephone number. It eliminates the penalty should the commissioner fail to provide notification, which under current law is 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 insurance 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 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, 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 executed,

5. insurer's National Association of Insurance Commissioners identification code; and
6. date the premium was due.

By January 31 each year, the bill requires an insurer to file a statement with the commissioner certifying the total amount of bail bonds executed and the total amount of premiums collected in the preceding calendar year.

The bill specifies that it does not prohibit or limit a premium financing arrangement that complies with its provisions (see § 4).

§ 4 — PREMIUM FINANCING ARRANGEMENTS

The bill allows a surety bail bond agent to enter into premium financing arrangements with a principal or indemnitor where the agent extends credit. If an agent enters into a premium financing arrangement, he or she must require the principal on the bond or any indemnitor to (1) make a minimum down payment of 35% of the filed and approved premium rate and (2) execute a promissory note for the remaining premium due. 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 or a payment is more than 60 days past due, the bill requires the agent to (1) file a verified complaint seeking appropriate relief with the court within 75 days of when the balance was due and (2) make a diligent effort to obtain judgment, unless good cause is shown for failing to do so (e.g., the principal 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 or person entitled to them according to the agent's contract with the insurer or managing general agent. The bill prohibits any fees,

expenses, or charges of any kind from being deducted from the return premiums, unless otherwise allowed under the bill. (“Return premium” is any part of a premium that a surety bail bond agent is obligated to return to a principal or indemnitor.)

The bill requires an agent to keep, and make available to the commissioner or his designee, books, accounts, and records as necessary to enable the commissioner to determine whether the agent is complying with the bill. An agent must keep books, accounts, and records relating to premium payments for at least three years after payments are made. The bill permits photographic and digital 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 a surety bail bond agent or managing general agent to post “build-up funds” with an insurer or managing general agent according to his or her contract with the insurer or managing general agent. The bill defines “build-up funds” as a percentage of the premium the agent receives to execute a bail bond that is held in a trust account by the insurer or managing general agent.

The insurer or managing general agent must establish an individual build-up trust 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 executed.

Under the bill, build-up funds must be used to compensate the insurer or managing general agent for any losses incurred in apprehending a defendant or paying forfeited bonds. The bill prohibits build-up funds from exceeding 40% of the surety bail bond premium the insurer contractually authorizes the agent to write. Build-up funds received must be immediately deposited to the build-up trust account, and interest earned on the deposits 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, minus any expenses incurred, to the agent within six months after they are due.

§§ 8 & 9 — COLLATERAL SECURITY OR INDEMNITY

Requirements and Restrictions

The bill allows a surety bail bond agent to accept collateral security or other indemnity on a bail bond and sets forth related requirements and restrictions. The collateral or indemnity 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 other 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 receives collateral or other indemnity 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.

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 provided, 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 bond forfeiture, the agent must keep the collateral or indemnity separate and apart from any other funds or assets.

The bill allows the agent to deposit collateral or other indemnity 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 or other indemnity. The bill prohibits the agent, insurer, or managing general agent from receiving any pecuniary gain on the deposited collateral or other indemnity.

The bill makes the insurer liable for all collateral or indemnity an agent receives. If, upon final termination of liability on a bond, the surety bail bond or managing general agent fails to return the collateral or other indemnity to the person that put it up, the bill requires the insurer to (1) return the actual collateral or indemnity to that person or (2) in the event that it cannot locate the collateral or indemnity, pay the person its value. 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 bond forfeiture, the agent or insurer must give the bond's principal and the person who put up collateral or other indemnity 30 days' written notice that it 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 on 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 30 days before the

stay expires.

The bill requires the agent or insurer to convert the collateral or other indemnity into cash within a reasonable period of time and return to the principal or person who posted it any amount that exceeds the bond's face value, minus the actual and reasonable conversion expenses, which must not exceed 10% of the face value. If an agent spends more than 10%, 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 bond forfeiture and the insurer paid the bond, the insurer must pay the person who put up the collateral or indemnity its value minus the actual and reasonable expenses that can be recovered.

Under the bill, an agent or insurer cannot (1) solicit or accept a waiver of these requirements or (2) enter into any agreement as to the collateral's or indemnity's value that does not reflect its actual 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 or indemnity he or she holds in trust for an appointing insurer;
2. all collateral or indemnity 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 records to the insurer for whom the collateral or indemnity is being held in trust.

Returning Collateral or Indemnity

Under the bill, if an agent accepted collateral or indemnity on a bond and the bond is terminated, the surety bail bond agent, 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 a managing 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 who provided 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 bill authorizes, from the collateral or indemnity due. Actual expenses incurred in apprehending a defendant because of a forfeiture of bond or judgment, if accounted for, may be deducted.

A person who violates the bill's provisions regarding returning collateral or indemnity is guilty of larceny.

§ 10 — GIVING BOND SUPPLIES TO UNLICENSED PERSON PROHIBITED

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 executing 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 working with any form used in the agent's or insurer's daily business activities, other than a power of attorney, bond appearance form, or collateral security or indemnity receipt.

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 executes 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 the principal on the bond (i.e., bail bond client) in exchange for a fee or other consideration;
2. directly or indirectly “soliciting” business (see below) (a) in, or on the grounds of a correctional institution, community correctional center, or other detention facility where arrested people are confined or (b) in a police station or courthouse;
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 correctional institution, community correctional center, other detention facility where arrested people are confined, or courthouse;
4. acting as an attorney at a principal’s proceeding in violation of law;
5. executing a bond in Connecticut (a) on the agent’s or insurer’s own behalf, (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 (c) if the arrested person or someone authorized to act on the person’s behalf has not authorized the agent to do so; and
6. accepting anything of value from a principal for providing a bail bond, other than the premium at the filed and approved rate, and an expense fee, except that the agent may accept collateral or indemnity.

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 arrested persons or potential indemnitors, unless an arrestee or indemnitor initiates contact. The bill limits permissible print advertising in, or on the grounds of a correctional institution, community correctional center, other detention facility where arrested people 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 law enforcement officer, judicial marshal, Department of Correction employee, other person who has power to arrest or hold a person in custody, or public official or employee, to secure a bail bond compromise, remission, or reduction or bail estreatment (i.e., enforcement of a bond forfeiture);
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.

§ 12 — REPORTING REQUIREMENTS

The bill requires each insurer and surety bail bond agent executing 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 insurer he or she represents and (2) give a copy to each such insurer.

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

1. bonds executed;

2. bonds ordered forfeited;
3. forfeitures discharged, remitted, or otherwise recovered before payment for any reason, including the agent's apprehension of the principal;
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 or other indemnity was received.

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 value of collateral security or other indemnity converted, excluding the cost of converting it;
3. the cost of converting collateral security or indemnity; and
4. additional information the Insurance Department may require to evaluate the (a) reasonableness of rates, ensuring 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 surety bail bond agents and insurers executing bonds 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

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

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

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

§ 14 — REGULATIONS

The bill authorizes the commissioner to adopt implementing regulations. Current law requires him to adopt regulations implementing licensing and appointment requirements.

§§ 17 – 22 — PROFESSIONAL BAIL BONDSMEN

Licensing and Notice to Courts and Others

By law, a professional bail bondsman is someone who furnishes bail in five or more criminal cases a year, whether or not for compensation. A professional bondsman must be licensed by the Department of Public Safety (DPS), be a resident elector, and submit to a criminal history records check. A license applicant must provide to DPS personal information, including name, age, residence, and occupation. The bill requires an applicant to also provide his or her telephone number.

The bill requires a professional bondsman to give DPS written notice of a change in name, address, or telephone number within 30 days after the change.

By law, the DPS commissioner must give all courts and municipal departments authorized to accept bail a list of licensed professional bondsmen and notify them of any change in a bondsman's status. The bill requires him to also (1) provide the bondsman's address and telephone number and (2) notify them of a change in the bondman's name, address, or telephone number.

By law, anyone who violates these provisions is subject to a fine of up to \$1,000, imprisonment of up to two years, or both and his or her license is permanently forfeited.

Examination of Books

The bill permits the DPS commissioner to (1) examine a professional bondsman's books and records as often as he deems necessary and (2) consult with the insurance commissioner to carry out such inspections. The bill also authorizes the DPS commissioner to adopt regulations to (1) establish inspection procedures, (2) determine the content and form of books and records bondsmen must keep, and (3) require bondsmen to pay a fee to cover the cost of the inspections.

Regulations

The bill authorizes the DPS commissioner to adopt regulations to implement its provisions relating to professional bondsmen.

Prohibited Practices

The bill restricts bail bond solicitation by professional bondsmen in the same way as for surety bail bond agents (see § 11 on prohibited practices above), with two differences.

A professional bondsman cannot:

1. wear or display any identification, other than a DPS-issued or DPS commissioner-approved license or identification, in, or on

the grounds of a correctional institution, community correctional center, other detention facility where arrested people are confined, or courthouse and

2. accept anything of value from a principal for providing a bail bond, other than the commission or fee authorized by law and collateral or indemnity in accordance with the bill.

By law, a bondsman may charge up to \$50 for bond amounts up to \$500, 10% for amounts of \$500 to \$5,000, and 7% for amounts over \$5,000.

Collateral Security and Indemnity

The bill allows a professional bondsman to accept collateral security or indemnity on a bail bond.

Under the bill, if a bondsman accepted collateral or indemnity on a bond and the bond is terminated, he or she must return the collateral or indemnity, 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 diligent inquiry, the court does not issue a written report. The collateral or indemnity must be returned to the person who provided it, unless the right to receive it was legally assigned to another person.

The bill prohibits a bondsman from deducting a fee or other charge from the collateral or indemnity due, but actual and reasonable expenses incurred in apprehending a defendant because of a forfeiture of bond or judgment, if accounted for, may be deducted.

A bondsman who violates these requirements is guilty of larceny.

§ 24 — VERIFICATION OF OUTSTANDING WARRANTS

At the request of a licensed professional bondsman, surety bail bond agent, or bail enforcement agent, the bill requires the Judicial Branch to verify whether a rearrest warrant or capias issued by a court after

forfeiting a bond for failure to appear is still outstanding.

§ 25 — PRINCIPAL INCARCERATED IN ANOTHER JURISDICTION

The bill requires the court to vacate an order forfeiting a bond and release the professional bondsman, surety bail bond agent, and insurer when (1) the principal is detained or incarcerated in another state, territory, or country; (2) the professional bondsman, agent, or insurer provides the court and prosecutor with proof of detention or incarceration; and (3) the prosecutor declines to seek extradition.

By law, when the court orders a bond forfeited and issues a rearrest warrant for failure to appear, the court stays execution of the bond forfeiture for six months.

BACKGROUND

Legislative History

The House referred the bill (File 133) to the Finance, Revenue and Bonding Committee, which reported out a substitute bill. The substitute increases license fees for a surety bail bond agent from \$50 for a new license and \$80 for a renewal to \$150 and \$100, respectively.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/09/2010)

Judiciary Committee

Joint Favorable

Yea 40 Nay 1 (04/07/2010)

Public Safety and Security Committee

Joint Favorable

Yea 23 Nay 0 (04/13/2010)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 46 Nay 1 (04/19/2010)