



Senate

General Assembly

File No. 41

January Session, 2011

Substitute Senate Bill No. 28

Senate, March 8, 2011

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, 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 Section 38a-660 of the general statutes is repealed and the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, 2011*):

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]
73 Asset Forfeiture Bureau of 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) An appointment of a person as a surety bail bond agent by an
80 insurer pursuant to subdivision (1) of this subsection shall constitute
81 certification by such insurer that, to the best of the insurer's knowledge
82 and belief, such person is competent, financially responsible and
83 suitable to serve as a representative of the insurer. No person shall
84 represent to the public that such person has the authority to represent
85 an insurer as its surety bail bond agent until such person has been
86 appointed by an insurer as such agent in accordance with this section.
87 An insurer shall be bound by the acts of such person within the scope
88 of such person's actual or apparent authority as such insurer's agent.

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

93 (B) No such agent shall engage or attempt to engage in any activity
94 requiring such an appointment after the termination of such agent's
95 appointment. An insurer that terminates the appointment of a surety
96 bail bond agent may (i) authorize such agent to take into custody a
97 principal who has absconded for whom a bail bond had been executed
98 prior to the termination of such agent's appointment, and (ii) seek
99 discharge of forfeitures and judgments paid by such insurer on behalf
100 of such agent prior to such agent's termination.

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

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

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

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

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

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

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

153 (3) There is established an account to be known as the "surety bail
154 bond agent examination account", which shall be a separate,
155 nonlapsing account within the Insurance Fund established under
156 section 38a-52a. The account shall contain any moneys required by law
157 to be deposited in the account and any such moneys remaining in the
158 account at the close of the fiscal year shall be transferred to the General
159 Fund.

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

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

169 (n) Any individual aggrieved by the action of the commissioner in
170 revoking, suspending or refusing to reissue a license or in imposing a
171 fine or penalty may appeal therefrom, in accordance with the
172 provisions of section 4-183, except venue for such appeal shall be in the

173 judicial district of Hartford. Appeals under this section shall be
174 privileged in respect to the order of trial assignment.]

175 (m) Each surety bail bond agent shall provide written notice:

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

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

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

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

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

202 Sec. 2. Section 38a-660a of the general statutes is repealed and the
203 following is substituted in lieu thereof (*Effective October 1, 2011*):

204 The Insurance Commissioner shall furnish to all courts and to all
205 organized police departments in the state, the names, principal
206 business addresses and telephone numbers of all persons licensed as
207 surety bail bond agents under this chapter and shall forthwith notify
208 such courts and all such police departments of any change in any such
209 agent's business name, principal business address, telephone number
210 or status or of the suspension or revocation of the license of any such
211 agent to engage in such business.

212 Sec. 3. (NEW) (*Effective October 1, 2011*) (a) No surety bail bond
213 agent shall execute a bail bond without charging the premium rate
214 approved by the commissioner pursuant to chapter 701 of the general
215 statutes.

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

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

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

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

245 Sec. 4. (NEW) (*Effective October 1, 2011*) (a) A surety bail bond agent
246 may enter into a premium financing arrangement with a principal or
247 any indemnitor in which such agent extends credit to such principal or
248 indemnitor.

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

267 Sec. 5. (NEW) (*Effective October 1, 2011*) (a) All premiums, including
268 any part of a premium that a surety bail bond agent is obligated to
269 return to a principal or indemnitor, and other funds belonging to

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

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

289 (c) Any surety bail bond agent who diverts or appropriates any of
290 the funds received under subsection (a) of this section for such agent's
291 own use shall be subject to the penalties for larceny under sections 53a-
292 122 to 53a-125b, inclusive, of the general statutes, depending on the
293 amount involved.

294 Sec. 6. (NEW) (*Effective October 1, 2011*) Each surety bail bond agent
295 shall maintain all records of surety bail bonds executed or
296 countersigned by such agent for at least three years after the liability of
297 the insurer has been terminated. Such records shall be open at all times
298 to examination, inspection and photographic or digital reproduction
299 by any employee or agent of the Insurance Department, an authorized
300 representative of the insurer or a managing general agent. The
301 commissioner may require a surety bail bond agent, at any time, to
302 furnish to the Insurance Department, in such manner or form as the

303 commissioner may require, any information concerning the surety bail
304 bond business of such agent.

305 Sec. 7. (NEW) (*Effective October 1, 2011*) (a) A surety bail bond agent
306 or a managing general agent shall post build-up funds with an insurer
307 or managing general agent pursuant to the surety bail bond agent's
308 contract with the insurer or managing general agent or the managing
309 general agent's contract with the insurer, as applicable. The insurer or
310 managing general agent shall establish an individual build-up trust
311 account for the surety bail bond agent in a federally insured bank or
312 savings and loan association in this state, jointly in the name of the
313 surety bail bond agent and the insurer or managing general agent, or
314 in trust for the surety bail bond agent by the insurer or managing
315 general agent. The insurer or managing general agent shall
316 immediately deposit build-up funds received from the surety bail
317 bond agent in the build-up trust account. Interest earned on any such
318 deposits shall accrue to the surety bail bond agent. The account shall
319 be open to inspection and examination by the Insurance Department at
320 all times. The insurer or managing general agent shall maintain an
321 accounting of all build-up funds and such accounting shall designate
322 the amounts collected on each bail bond executed.

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

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

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

336 such termination and discharge of liabilities.

337 Sec. 8. (NEW) (*Effective October 1, 2011*) (a) A surety bail bond agent
338 may receive collateral security or other indemnity on a bail bond.

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

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

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

347 (3) Acceptable forms of collateral security or other indemnity
348 include, but are not limited to, cash or its equivalent, a promissory
349 note, an indemnity agreement, a real property mortgage in the name of
350 the insurer or any Uniform Commercial Code filing;

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 surety bail bond agent shall hold the collateral security or
356 other indemnity in a fiduciary capacity and shall, prior to any
357 forfeiture of a bail bond, keep the collateral security or other indemnity
358 separate and apart from any other funds or assets of the surety bail
359 bond agent;

360 (6) If the surety bail bond agent receives collateral security or other
361 indemnity in excess of fifty thousand dollars in cash, the cash amount
362 shall be made payable to the insurer in the form of a cashier's check,
363 United States postal money order, certificate of deposit or wire
364 transfer; and

365 (7) If the surety bail bond agent receives collateral security or other
366 indemnity in excess of fifty thousand dollars in cash or its equivalent,
367 the agent shall promptly forward the entire amount of such collateral
368 security or other indemnity to the insurer or managing general agent.

369 (c) The surety bail bond agent may deposit collateral security or
370 other indemnity in an interest-bearing account in a federally insured
371 bank or savings and loan association in this state, to accrue to the
372 benefit of the person providing the collateral security or other
373 indemnity. The surety bail bond agent, insurer or managing general
374 agent shall not receive any pecuniary gain on the collateral security or
375 other indemnity deposited.

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

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

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

397 (2) Whenever a stay of execution upon such forfeiture is ordered
398 pursuant to section 54-65a of the general statutes, the surety bail bond
399 agent or insurer shall send such written notice by certified mail, return
400 receipt requested, to the last-known address of the principal and the
401 person who provided the collateral security or other indemnity, at
402 least thirty days prior to the expiration of such stay.

403 (3) (A) The surety bail bond agent or insurer shall convert the
404 collateral security or other indemnity into cash within a reasonable
405 period of time and return to the principal or the person who provided
406 the collateral security or other indemnity any amount in excess of the
407 face value of the bail bond, minus the actual and reasonable expenses
408 of converting the collateral security or other indemnity into cash. Such
409 expenses shall not exceed ten per cent of the face value of the bail
410 bond. If a surety bail bond agent expends more than ten per cent of the
411 face value of the bail bond to convert the collateral security or other
412 indemnity into cash, such agent may file a civil action to recover the
413 full amount of the actual and reasonable expenses upon motion and
414 proof that the actual and reasonable expenses exceed ten per cent of
415 the face value of the bail bond.

416 (B) If a forfeiture of the bail bond occurs and the insurer paid the
417 bail bond, the insurer shall pay to the person who provided the
418 collateral security or other indemnity the value of any collateral
419 security or other indemnity received on the bail bond, minus the actual
420 and reasonable expenses permitted to be recovered under this
421 subsection.

422 (f) Any agreement that violates the provisions of sections 3 to 12,
423 inclusive, of this act shall be void. A surety bail bond agent or insurer
424 shall not enter into any agreement as to the value of the collateral
425 security or other indemnity that does not reflect the actual value of
426 such collateral security or other indemnity.

427 (g) Prior to the appointment of a surety bail bond agent who is
428 currently or was previously appointed by another insurer, the surety
429 bail bond agent shall file with the commissioner a sworn and notarized

430 affidavit, on a form prescribed by the commissioner, stating that: (1)
431 There has been no loss, misappropriation, conversion or theft of any
432 collateral security or other indemnity being held by the agent in trust
433 for any insurer by which the agent is currently or was previously
434 appointed; (2) all collateral security or other indemnity being held in
435 trust by the agent and all records for any insurer by which the agent is
436 currently or was previously appointed are available for immediate
437 audit and inspection by the commissioner, the insurer, or the
438 managing general agent; and (3) such records will, upon demand of
439 the commissioner or insurer, be transmitted to the insurer for whom
440 the collateral security or other indemnity is being held in trust.

441 Sec. 9. (NEW) (*Effective October 1, 2011*) (a) If collateral security or
442 other indemnity was received on a bail bond by a surety bail bond
443 agent and such bond is terminated, the insurer, managing general
444 agent or surety bail bond agent shall return the collateral security or
445 other indemnity, except a promissory note or an indemnity agreement,
446 not later than twenty-one days after receipt of a written report from
447 the court that the bail bond has been terminated. Such collateral
448 security or other indemnity shall be returned to the person who
449 provided the collateral security or other indemnity unless another
450 disposition is provided for by legal assignment to another person of
451 the right to receive the return of the collateral security or other
452 indemnity. If, despite diligent inquiry by the insurer or managing
453 general agent to determine whether the bail bond has been terminated,
454 the court fails to provide any written report on termination, the
455 collateral security or other indemnity, except a promissory note or an
456 indemnity agreement, shall be returned to the person who provided
457 the collateral security or other indemnity not later than twenty-one
458 days after the insurer, managing general agent or surety bail bond
459 agent has become aware that the bail bond has been terminated.

460 (b) No fee or other charge, other than as authorized under sections 3
461 to 12, inclusive, of this act, shall be deducted from the collateral
462 security or other indemnity due. Actual expenses incurred by a surety
463 bail bond agent in the apprehension of a defendant because of a

464 forfeiture of a bail bond or judgment may be deducted if such expenses
465 are accounted for.

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

469 Sec. 10. (NEW) (*Effective October 1, 2011*) (a) No insurer, managing
470 general agent or surety bail bond agent shall furnish to any person any
471 blank form, application, stationery, business card or other supplies to
472 be used in the solicitation, negotiation or execution of bail bonds
473 unless such person is licensed to act as a surety bail bond agent and is
474 appointed by an insurer as required in section 38a-660 of the general
475 statutes, as amended by this act. Except for a power of attorney form, a
476 bond appearance form or a collateral security or other indemnity
477 receipt, this section shall not prohibit an unlicensed employee who is
478 under the direct supervision and control of a licensed and appointed
479 surety bail bond agent from possessing or working with any other
480 form used in the surety bail bond agent's or insurer's office's daily
481 business activities.

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

490 Sec. 11. (NEW) (*Effective October 1, 2011*) (a) No surety bail bond
491 agent or insurer shall:

492 (1) Suggest or advise, in exchange for a fee or other consideration,
493 the employment of or name for employment of any particular attorney
494 to represent the principal on a bail bond;

495 (2) Directly or indirectly solicit business, unless a request is initiated
496 by an arrested person or potential indemnitor, 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 within
499 any police station or courthouse. For purposes of this subdivision,
500 "solicit" includes the distribution of business cards, print advertising or
501 any other written information directed to arrested persons or potential
502 indemnitors. A correctional institution, community correctional center
503 or other detention facility where arrested persons are confined, police
504 station or courthouse may permit print advertising by a surety bail
505 bond agent or an insurer in or on the property or grounds of such
506 institution, center or facility, police station or courthouse, provided
507 such advertising shall be limited to a listing in a telephone directory
508 and the posting of the surety bail bond agent's name, address and
509 telephone number in a prominent designated location in or on such
510 property or grounds;

511 (3) Wear or otherwise display any surety bail bond agent
512 identification, other than a surety bail bond agent license or surety bail
513 bond agent identification issued or approved by the Insurance
514 Commissioner, in or on the property or grounds of a correctional
515 institution, community correctional center or other detention facility
516 where arrested persons are confined, or in or on the property or
517 grounds of any courthouse;

518 (4) Pay a fee or rebate or give or promise anything of value to a law
519 enforcement officer, judicial marshal, employee of the Department of
520 Correction or other person who has power to arrest or to hold a person
521 in custody, or to any other public official or public employee, to secure
522 a compromise, remission or reduction of the amount of any bail bond
523 or estreatment of bail;

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

527 (6) Pay a fee or rebate or give or promise anything of value to the

528 principal or to any person on the principal's behalf;

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

531 (8) Accept anything of value from a principal for providing a bail
532 bond, other than the premium approved by the commissioner
533 pursuant to chapter 701 of the general statutes and an expense fee,
534 except that the surety bail bond agent may accept collateral security or
535 other indemnity from a principal or other person in accordance with
536 section 9 of this act. A surety bail bond agent may, upon written
537 agreement with a third party, receive a fee or other compensation for
538 returning to custody an individual who has fled the jurisdiction of the
539 court or whose bail bond has been forfeited;

540 (9) Execute a bail bond in this state on such agent's or insurer's own
541 behalf; or

542 (10) Write a bail bond in this state for an arrested person if such
543 arrested person or a person with actual or apparent authority to act on
544 behalf of such arrested person has not authorized such agent, in
545 writing, to execute a bail bond on such arrested person's behalf. The
546 surety bail bond agent shall maintain any such written authorization.

547 (b) If a bail bond executed by a surety bail bond agent is forfeited
548 and such forfeiture has remained unpaid for at least sixty days after
549 the date payment has become due, no such surety bail bond agent or
550 insurer that appointed such agent shall execute a bail bond in this state
551 until the full amount of the forfeited bail bond is paid to the Office of
552 the Chief State's Attorney in accordance with procedures set forth by
553 said office.

554 Sec. 12. (NEW) (*Effective October 1, 2011*) (a) Each insurer and each
555 surety bail bond agent that executes bail bonds in this state shall
556 maintain and transmit the following records, based on such insurer's
557 or such agent's Connecticut bail bond business, to the Insurance
558 Department upon request and, with respect to a surety bail bond

559 agent, shall report the information separately for each insurer
560 represented, except that subdivisions (1), (12) and (13) of this
561 subsection shall apply only to insurers:

562 (1) Commissions paid;

563 (2) The number of, and the total dollar amount of, bail bonds
564 executed;

565 (3) The number of, and the total dollar amount of, bail bonds
566 ordered forfeited;

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

570 (5) The number of, and the total dollar amount of, forfeitures
571 discharged, remitted or otherwise recovered prior to payment due to
572 the apprehension of the principal on the bail bond by the surety bail
573 bond agent;

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

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

580 (8) A list of every outstanding or unpaid forfeiture, estreature and
581 judgment, with the case number and the name of the court in which
582 such forfeiture, estreature or judgment is recorded and the name of
583 each agency or firm that employs the surety bail bond agent;

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

586 (10) The actual value of collateral security or other indemnity
587 converted, excluding the cost of converting the collateral security or

588 other indemnity;

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

590 (12) The underwriting gain or loss;

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

593 (14) Such additional information as the Insurance Department may
594 require to: (A) Evaluate the reasonableness of rates or ensure that such
595 rates are not excessive, inadequate or unfairly discriminatory; (B)
596 evaluate the financial condition or trade practices of surety bail bond
597 agents and insurers executing bail bonds; and (C) evaluate the
598 performance of the surety bail bond agents and insurers executing bail
599 bonds in accordance with appropriate criminal justice system goals
600 and standards.

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

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

607 Sec. 13. (NEW) (*Effective October 1, 2011*) (a) The commissioner may
608 suspend or revoke the license of a surety bail bond agent, or may
609 impose a fine in lieu of or in addition to such suspension or revocation
610 in accordance with section 38a-774 of the general statutes for any
611 violation of section 38a-660 of the general statutes, as amended by this
612 act, and sections 3 to 12, inclusive, of this act.

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

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

620 Sec. 14. (NEW) (*Effective October 1, 2011*) The commissioner may
621 adopt regulations, in accordance with the provisions of chapter 54 of
622 the general statutes, to implement the provisions of section 38a-660 of
623 the general statutes, as amended by this act, and sections 3 to 12,
624 inclusive, of this act.

625 Sec. 15. Subsection (a) of section 38a-11 of the general statutes is
626 repealed and the following is substituted in lieu thereof (*Effective*
627 *October 1, 2011*):

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

650 agent appointment for a Connecticut insurance company; (B) a fee of
651 one hundred dollars for each appointment issued to an agent of a
652 domestic insurance company or for each appointment continued; and
653 (C) a fee of eighty dollars for each appointment issued to an agent of
654 any other insurance company or for each appointment continued,
655 except that (i) no fee shall be payable for an appointment issued to an
656 agent of an insurance company domiciled in a state or foreign country
657 which does not require any fee for an appointment issued to an agent
658 of a Connecticut insurance company, and (ii) the fee shall be twenty
659 dollars for each appointment issued or continued to an agent of an
660 insurance company domiciled in a state or foreign country with a
661 premium tax rate below Connecticut's premium tax rate; (12) with
662 respect to insurance producers: (A) An examination fee of fifteen
663 dollars for each examination taken, except when a testing service is
664 used, the testing service shall pay a fee of fifteen dollars to the
665 commissioner for each examination taken by an applicant; (B) a fee of
666 eighty dollars for each license issued; (C) a fee of eighty dollars per
667 year, or any portion thereof, for each license renewed; and (D) a fee of
668 eighty dollars for any license renewed under the transitional process
669 established in section 38a-784; (13) with respect to public adjusters: (A)
670 An examination fee of fifteen dollars for each examination taken,
671 except when a testing service is used, the testing service shall pay a fee
672 of fifteen dollars to the commissioner for each examination taken by an
673 applicant; and (B) a fee of two hundred fifty dollars for each license
674 issued or renewed; (14) with respect to casualty adjusters: (A) An
675 examination fee of twenty dollars for each examination taken, except
676 when a testing service is used, the testing service shall pay a fee of
677 twenty dollars to the commissioner for each examination taken by an
678 applicant; (B) a fee of eighty dollars for each license issued or renewed;
679 and (C) the expense of any examination administered outside the state
680 shall be the responsibility of the entity making the request and such
681 entity shall pay to the commissioner two hundred dollars for such
682 examination and the actual traveling expenses of the examination
683 administrator to administer such examination; (15) with respect to
684 motor vehicle physical damage appraisers: (A) An examination fee of

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

720 dollars for each initial application for a license made pursuant to
721 section 38a-465a; and (B) a fee of forty dollars for each license issued or
722 renewed; (24) with respect to life settlement brokers: (A) A filing fee of
723 twenty-six dollars for each initial application for a license made
724 pursuant to section 38a-465a; and (B) a fee of forty dollars for each
725 license issued or renewed; (25) with respect to preferred provider
726 networks, a fee of two thousand seven hundred fifty dollars for each
727 license issued or renewed; (26) with respect to rental companies, as
728 defined in section 38a-799, a fee of eighty dollars for each permit
729 issued or renewed; (27) with respect to medical discount plan
730 organizations licensed under section 38a-479rr, a fee of six hundred
731 twenty-five dollars for each license issued or renewed; (28) with
732 respect to pharmacy benefits managers, an application fee of one
733 hundred dollars for each registration issued or renewed; (29) with
734 respect to captive insurance companies, as defined in section 38a-91aa,
735 a fee of three hundred seventy-five dollars for each license issued or
736 renewed; [and] (30) with respect to each duplicate license issued a fee
737 of fifty dollars for each license issued; and (31) with respect to surety
738 bail bond agents, as defined in section 38a-660, as amended by this act,
739 (A) a filing fee of one hundred fifty dollars for each initial application
740 for a license, and (B) a fee of one hundred dollars for each license
741 issued or renewed.

742 Sec. 16. Section 29-145 of the general statutes is repealed and the
743 following is substituted in lieu thereof (*Effective October 1, 2011*):

744 Any person desiring to engage in the business of a professional
745 bondsman shall apply to the Commissioner of Public Safety for a
746 license. [therefor.] Such application shall set forth under oath the full
747 name, age, residence, telephone number and occupation of the
748 applicant, whether the applicant intends to engage in the business of a
749 professional bondsman individually or in partnership or association
750 with another or others, and, if so, the identity of each. It shall also set
751 forth under oath a statement of the assets and liabilities of the
752 applicant, and whether the applicant has been charged with or
753 convicted of crime, and such other information, including fingerprints

754 and photographs, as said commissioner from time to time may require.
755 The commissioner shall require the applicant to submit to state and
756 national criminal history records checks. The criminal history records
757 checks required pursuant to this section shall be conducted in
758 accordance with section 29-17a. No person who has been convicted of
759 a felony shall be licensed to do business as a professional bondsman in
760 this state. No person engaged in law enforcement or vested with police
761 powers shall be licensed to do business as a professional bondsman.

762 Sec. 17. Section 29-148 of the general statutes is repealed and the
763 following is substituted in lieu thereof (*Effective October 1, 2011*):

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

775 Sec. 18. Section 29-149 of the general statutes is repealed and the
776 following is substituted in lieu thereof (*Effective October 1, 2011*):

777 The Commissioner of Public Safety shall furnish to all courts and to
778 all town, city and borough departments in the state, having authority
779 to accept bail, the names, residence addresses and telephone numbers
780 of all professional bondsmen licensed under the provisions of this
781 chapter and shall forthwith notify such courts and all such town, city
782 and borough departments of any change in any such bondsman's
783 name, residence address, telephone number or status or of the
784 suspension or revocation of any bondsman's license to engage in such
785 business.

786 Sec. 19. Section 29-152 of the general statutes is repealed and the
787 following is substituted in lieu thereof (*Effective October 1, 2011*):

788 Any person who violates any provision of [this chapter] sections 29-
789 145, as amended by this act, 29-148, as amended by this act, 29-150 and
790 29-151 shall be fined not more than one thousand dollars or
791 imprisoned not more than two years or both and [his] such person's
792 right to engage in the business of a professional bondsman in this state
793 shall thereupon be permanently forfeited.

794 Sec. 20. (NEW) (*Effective October 1, 2011*) To carry out the provisions
795 of sections 29-144 to 29-151, inclusive, of the general statutes, as
796 amended by this act, and sections 21 and 22 of this act, the
797 Commissioner of Public Safety may:

798 (1) Inspect the books and records of any professional bondsman as
799 often as the commissioner deems necessary. Said commissioner may
800 consult with the Insurance Commissioner to carry out such
801 inspections. The Commissioner of Public Safety may adopt
802 regulations, in accordance with chapter 54 of the general statutes, to
803 (A) establish procedures for such inspections, (B) specify the content
804 and form of books and records required to be kept by professional
805 bondsmen, or (C) require a fee to be paid by professional bondsmen to
806 cover the cost of inspections; and

807 (2) Adopt regulations, in accordance with chapter 54 of the general
808 statutes, to carry out the provisions of sections 29-144 to 29-151,
809 inclusive, of the general statutes, as amended by this act, and sections
810 21 and 22 of this act.

811 Sec. 21. (NEW) (*Effective October 1, 2011*) (a) No professional
812 bondsman shall:

813 (1) Suggest or advise, in exchange for a fee or other consideration,
814 the employment of or name for employment of any particular attorney
815 to represent the principal on a bail bond;

816 (2) Directly or indirectly solicit business, unless a request is initiated

817 by an arrested person or potential indemnitor, in or on the property or
818 grounds of a correctional institution, community correctional center or
819 other detention facility where arrested persons are confined, or within
820 any police station or courthouse. For purposes of this subdivision,
821 "solicit" includes the distribution of business cards, print advertising or
822 any other written information directed to arrested persons or potential
823 indemnitors. A correctional institution, community correctional center
824 or other detention facility where arrested persons are confined, police
825 station or courthouse may permit print advertising by a professional
826 bondsman in or on the property or grounds of such institution, center
827 or facility, police station or courthouse, provided such advertising
828 shall be limited to a listing in a telephone directory and the posting of
829 the professional bondsman's name, address and telephone number in a
830 prominent designated location in or on such property or grounds;

831 (3) Wear or otherwise display any professional bondsman
832 identification, other than a professional bondsman license or
833 professional bondsman identification issued or approved by the
834 Commissioner of Public Safety, in or on the property or grounds of a
835 correctional institution, community correctional center or other
836 detention facility where arrested persons are confined, or in or on the
837 property or grounds of any courthouse;

838 (4) Pay a fee or rebate or give or promise anything of value to a law
839 enforcement officer, judicial marshal, employee of the Department of
840 Correction or other person who has power to arrest or to hold a person
841 in custody, or to any other public official or public employee to secure
842 a compromise, remission or reduction of the amount of any bail bond
843 or estreatment of bail;

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

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

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

851 (8) Accept anything of value from a principal for providing a bail
852 bond, other than the commission or fee authorized under section 29-
853 151 of the general statutes, except that the professional bondsman may
854 accept collateral security or other indemnity on a bail bond from a
855 principal or other person in accordance with section 22 of this act. A
856 professional bondsman may, upon written agreement with a third
857 party, receive a fee or other compensation for returning to custody an
858 individual who has fled the jurisdiction of the court or whose bail
859 bond has been forfeited;

860 (9) Execute a bail bond in this state on such professional bondsman's
861 own behalf; or

862 (10) Write a bail bond in this state for an arrested person if such
863 arrested person or a person with actual or apparent authority to act on
864 behalf of such arrested person has not authorized such bondsman, in
865 writing, to execute a bail bond on such arrested person's behalf. The
866 professional bondsman shall maintain any such written authorization.

867 (b) If a bail bond executed by a professional bondsman is forfeited
868 and such forfeiture has remained unpaid for at least sixty days after
869 the date payment has become due, no such bondsman shall execute a
870 bail bond in this state until the full amount of the forfeited bail bond is
871 paid to the Office of the Chief State's Attorney in accordance with
872 procedures set forth by said office.

873 Sec. 22. (NEW) (*Effective October 1, 2011*) (a) A professional
874 bondsman may accept collateral security or other indemnity on a bail
875 bond.

876 (b) If collateral security or other indemnity was received on a bail
877 bond by a professional bondsman and such bond is terminated, such
878 bondsman shall return the collateral security or other indemnity,
879 except a promissory note or an indemnity agreement, not later than

880 twenty-one days after receipt of a written report from the court that
881 the bail bond has been terminated. Such collateral security or other
882 indemnity shall be returned to the person who gave the collateral
883 security or other indemnity unless another disposition is provided for
884 by legal assignment to another person of the right to receive the return
885 of the collateral security or other indemnity. If, despite diligent inquiry
886 by the professional bondsman to determine whether the bail bond has
887 been terminated, the court fails to provide any written report on
888 termination, the collateral security or other indemnity, except a
889 promissory note or an indemnity agreement, shall be returned to the
890 person who provided the collateral security or other indemnity not
891 later than twenty-one days after the professional bondsman has
892 become aware that the bail bond has been terminated.

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

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

901 Sec. 23. (NEW) (*Effective October 1, 2011*) Upon the request during
902 regular business hours of a person licensed as (1) a professional
903 bondsman under chapter 533 of the general statutes, (2) a surety bail
904 bond agent under section 38a-660 of the general statutes, as amended
905 by this act, or (3) a bail enforcement agent under sections 29-152f to 29-
906 152i, inclusive, of the general statutes, the Judicial Branch shall verify
907 in the central computer system set forth in subsection (e) of section 54-
908 2a of the general statutes whether a rearrest warrant or capias issued
909 pursuant to section 54-65a of the general statutes is still outstanding.

910 Sec. 24. (NEW) (*Effective October 1, 2011*) A court shall vacate an
911 order forfeiting a bail bond and release the professional bondsman, as
912 defined in section 29-144 of the general statutes, the surety bail bond

913 agent and the insurer, as both terms are defined in section 38a-660 of
 914 the general statutes, as amended by this act, if (1) the principal on the
 915 bail bond is detained or incarcerated in another state, territory or
 916 country, (2) the professional bondsman, the surety bail bond agent or
 917 the insurer provides proof of such detention or incarceration to the
 918 court and the state's attorney prosecuting the case, and (3) the state's
 919 attorney prosecuting the case declines to seek extradition of the
 920 principal.

| | | |
|---|------------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2011</i> | 38a-660 |
| Sec. 2 | <i>October 1, 2011</i> | 38a-660a |
| Sec. 3 | <i>October 1, 2011</i> | New section |
| Sec. 4 | <i>October 1, 2011</i> | New section |
| Sec. 5 | <i>October 1, 2011</i> | New section |
| Sec. 6 | <i>October 1, 2011</i> | New section |
| Sec. 7 | <i>October 1, 2011</i> | New section |
| Sec. 8 | <i>October 1, 2011</i> | New section |
| Sec. 9 | <i>October 1, 2011</i> | New section |
| Sec. 10 | <i>October 1, 2011</i> | New section |
| Sec. 11 | <i>October 1, 2011</i> | New section |
| Sec. 12 | <i>October 1, 2011</i> | New section |
| Sec. 13 | <i>October 1, 2011</i> | New section |
| Sec. 14 | <i>October 1, 2011</i> | New section |
| Sec. 15 | <i>October 1, 2011</i> | 38a-11(a) |
| Sec. 16 | <i>October 1, 2011</i> | 29-145 |
| Sec. 17 | <i>October 1, 2011</i> | 29-148 |
| Sec. 18 | <i>October 1, 2011</i> | 29-149 |
| Sec. 19 | <i>October 1, 2011</i> | 29-152 |
| Sec. 20 | <i>October 1, 2011</i> | New section |
| Sec. 21 | <i>October 1, 2011</i> | New section |
| Sec. 22 | <i>October 1, 2011</i> | New section |
| Sec. 23 | <i>October 1, 2011</i> | New section |
| Sec. 24 | <i>October 1, 2011</i> | New section |

INS *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 12 \$ | FY 13 \$ |
|------------------------|--------------------|-----------------|-----------------|
| Insurance Department | GF - Revenue Gain | 29,740 | 10,070 |
| Insurance Department | 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 \$29,740 in FY 12 and \$10,070 in FY 13 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 12 and FY 13¹, 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 \$11,840 in FY 12 and \$320 in FY 13. This revenue gain results from the renewal of 592 renewal licenses in FY 12 (license are renewed in even-number years) and the issuance of 16 initial licenses in FY 13.

Under the bill, surety bail bond agent requirements are expanded, which is anticipated to increase the DOI's imposition of fines, leading to \$16,300 in new General Fund revenue in FY 12 and \$8,150 in FY 13².

The bill establishes a separate, non-lapsing "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 12 and \$250,650 in FY 13 in this account. Using these funds, an average of 19 examinations of surety bail bond agents could be conducted in FY 12 and FY 13. Any funds remaining in the account at the end of the fiscal year are transferred to the General Fund, resulting in a revenue gain.

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.

¹ There are 592 surety bail bond agents and agencies currently licensed by DOI.

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 12 and a 50% increase in fines in FY 13. DOI deposited \$2.14 million from fines and penalties in the General Fund in FY 09.

OLR Bill Analysis**sSB 28*****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 regulated by the insurance commissioner. A professional bondsman puts up personal assets as bond security and is regulated by the public safety commissioner.)

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 agents to certify under oath to the insurance commissioner that they charged the bond premium rates the commissioner approved (i.e., did not discount or increase them).

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 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 examine professional bondsmen records and adopt implementing regulations.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2011

§§ 1 & 15 — SURETY BAIL BOND AGENT LICENSING, APPOINTMENTS, AND EXAMINATION OF BOOKS

By law, it is illegal to act as a surety bail bond agent unless licensed by the insurance commissioner and appointed by an insurer. 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 to include convictions for any misdemeanor involving dishonesty or misappropriation of money or property. The law already disqualifies people convicted of a felony or any of the following misdemeanors:

1. illegal drug possession;
2. criminally negligent homicide;
3. 3rd- degree assault;
4. 3rd-degree assault of an elderly, blind, disabled, pregnant, or mentally retarded person;
5. 2nd-degree threatening;
6. 1st-degree reckless endangerment;
7. 2nd-degree unlawful restraint;
8. 2nd-degree failure to appear;

9. 1st- or 2nd-degree rioting or inciting others to riot; or
10. 2nd-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 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 agents from representing that they have authority to act on an insurer’s behalf until the insurer has appointed them.

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 agents from acting, or attempting to act, on the insurer’s behalf after their appointment is terminated. However, it permits an insurer that terminates an agent’s appointment to authorize the agent to (1) take into custody a person who has absconded for whom a bail bond was written before the appointment was terminated and (2) try to have forfeitures and judgments discharged.

Examination of Books and Records; Examination Fee and Account

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. 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. The commissioner must use the money in the account for examinations. Any money remaining in the account at the end of each fiscal year must be transferred to the General Fund.

Notification of Bankruptcy or 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 this or another state. (The notice must also include all supporting documentation.) The bill 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 bond agent 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 license applicants to pay the fees before the commissioner issues the license. It specifies that a license expires on January 31 in even-numbered years.

§ 2 — 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 the agent's principal business address and telephone number and (2) notify them of a change in the agent's business name, principal business address, or telephone number.

§ 3 — PREMIUM REQUIREMENTS

The bill prohibits agents from executing a bail bond unless they charge the premium rate the insurance commissioner approved. It specifies that it does not prohibit or limit a premium financing arrangement that complies with its provisions (see § 4).

Premium Certifications

Monthly. The bill requires agents, 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 executed during the prior month did not differ from the approved premium rate.

If an agent files a false certification, the commissioner may, after notice and hearing, suspend or revoke the agent's license, impose a penalty of up to \$5,000, or both.

Annual. By January 31 each year, the bill requires insurers 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.

Audit Requirement

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

Within 45 days after each audit period ends, insurers must notify the commissioner of any agent who failed to charge the 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.

§ 4 — PREMIUM FINANCING ARRANGEMENTS

The bill allows surety bail bond agents to enter into premium financing arrangements with a principal or indemnitor where the agents extend credit. If they enter into such arrangements, they must require the principal on the bond or any indemnitor to (1) make a minimum down payment of 35% of the 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 civil court action seeking appropriate relief 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. (Larceny ranges from a Class C misdemeanor to a Class B felony, depending on the amount involved.)

§ 6 — RECORD MAINTENANCE AND EXAMINATION

The bill requires an agent to maintain all records of bonds they executed or countersigned for at least three years after the insurer’s liability ends. The 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 agents to provide the department information concerning their 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 (1) his or her contract with the insurer or managing general agent or (2) the managing general agent’s contract with the insurer, whichever is applicable. 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 for the agent 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) a 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 bail 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 bail 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 specifies 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 hold the collateral or indemnity 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) if it cannot be located, 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.

If a bail bond is forfeited, 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 by 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 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 bail 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 a civil court action to recover the full amount of actual and reasonable expenses upon motion and proof that expenses exceeded 10%. If a bond is forfeited 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 enter into any agreement as to the collateral's or indemnity's value that does not reflect its actual value. Any agreement that violates the bill is void.

Additional Appointment Requirement

Before an insurer appoints surety bail bond agents who are currently or were previously appointed by another insurer, the agents must file a sworn and notarized affidavit with the commissioner, on a form he prescribes, stating that:

1. they have not lost, misappropriated, converted, or stolen any collateral or indemnity they hold in trust for an appointing insurer;
2. all collateral or indemnity they hold 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. they 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 the bond was terminated or (2) becoming aware that the 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 BAIL 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 not licensed and appointed as a 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 bail 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 (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 (the agent must keep the written authorization); and
6. accepting anything of value from a principal for providing a bail bond, other than the approved premium 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, police station, 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, reduction, or 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 certain information 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. bail bonds executed;
2. bail 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; and
6. bail 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 for each, and the name of each agency or firm employing the surety 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, 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 from Hartford to the New Britain judicial district.

§ 14 — REGULATIONS

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

§§ 16-21 — 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 DPS with 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 also to (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

commissioner-approved or -issued 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 a bail bond or judgment, if accounted for, may be deducted.

A bondsman who violates these requirements is guilty of larceny.

§ 23 — VERIFICATION OF OUTSTANDING WARRANTS

At the request of a licensed professional bondsman, surety bail bond agent, or bail enforcement agent during regular business hours, 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.

§ 24 — 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 the (1) principal is detained or incarcerated in another state, territory, or country; (2) professional bondsman, agent, or insurer provides the court and prosecutor with proof of detention or incarceration; and (3) prosecutor declines to seek extradition.

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

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 18 Nay 0 (02/17/2011)