



**Substitute Senate Bill No. 28**

**Public Act No. 11-45**

**AN ACT CONCERNING SURETY BAIL BOND AGENTS AND PROFESSIONAL BONDSMEN.**

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

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 Section 38a-660 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2011*):

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

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

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

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

(4) "Estreatment" or "estreature" means the enforcement of a forfeiture of a bail bond due to a failure of the principal to comply with

**Substitute Senate Bill No. 28**

a lawful appearance in court and the court order forfeiting such bail bond;

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

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

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

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

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

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

(9) "Surety bail bond agent" means any person who has been approved by the commissioner and appointed by an insurer by power of attorney to execute or countersign bail bonds for the insurer in

***Substitute Senate Bill No. 28***

connection with judicial proceedings.

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

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

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

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

**Substitute Senate Bill No. 28**

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

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

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

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

(g) An applicant for a license shall be required to appear in person and take a written examination testing the applicant's competency and qualifications to act as a surety bail bond agent. The commissioner

**Substitute Senate Bill No. 28**

may designate an independent testing service to prepare and administer such examination, provided any examination fees charged by such service shall be paid by the applicant. The commissioner shall collect the appropriate examination fee, which shall entitle the applicant to take the examination for the license, except when a testing service is used, the testing service shall pay such fee to the commissioner. In either case, such examination shall be as the commissioner prescribes and shall be of sufficient scope to test the applicant's knowledge of subjects pertinent to the duties and responsibilities of a surety bail bond agent, including all laws and regulations of this state applicable thereto.

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

(i) Upon [satisfying himself] determining that an applicant meets the licensing requirements of this state and is in all respects properly qualified and trustworthy and that the granting of such license is not against the public interest, the commissioner may issue to such applicant, upon payment of the license fee, as specified in section 38a-11, as amended by this act, the license applied for, in such form as he may adopt, to act within this state to the extent therein specified. Such

**Substitute Senate Bill No. 28**

license shall expire on January thirty-first of each even-numbered year.

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

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

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

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

(l) [A license may, in the discretion of the] The commissioner [, be renewed or continued] may renew or continue a license upon payment of the appropriate fee, as [the commissioner deems necessary] specified in section 38a-11, as amended by this act, without the

**Substitute Senate Bill No. 28**

resubmittal of the detailed information required in the original application.

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

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

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

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

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

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

(n) The insurer, managing general agent or surety bail bond agent shall notify the commissioner in writing not later than five days after

**Substitute Senate Bill No. 28**

receiving notice or learning that a surety bail bond agent has been arrested for, pleaded guilty or nolo contendere to, or been found guilty of, a disqualifying offense in this state or an offense in any other state for which the essential elements are substantially the same as a disqualifying offense, whether judgment was entered or withheld by a court.

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

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

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

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

(b) Not later than the tenth day of each month, each surety bail bond agent shall certify to the commissioner under oath, on a form prescribed by the commissioner, that the premium for each surety bail bond executed by such agent in the preceding month was not less than, and did not exceed, the premium rate approved by the

**Substitute Senate Bill No. 28**

commissioner. The filing of a false certification by a surety bail bond agent shall be grounds for administrative action in accordance with section 38a-774 of the general statutes.

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

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

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

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

(b) If a surety bail bond agent enters into a premium financing

**Substitute Senate Bill No. 28**

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

Sec. 5. (NEW) (*Effective October 1, 2011*) (a) All premiums, including any part of a premium that a surety bail bond agent is obligated to return to a principal or indemnitor, and other funds belonging to insurers or others that are received by a surety bail bond agent in performing such agent's duties as a surety bail bond agent shall be deemed trust funds received by such agent in a fiduciary capacity. Such agent shall account for and pay the same to the insurer or persons entitled to such funds pursuant to the surety bail bond agent's contract with the insurer or managing general agent. No fees, expenses or charges of any kind shall be deducted from any premium the surety bail bond agent is obligated to return to a principal or indemnitor, except as authorized under sections 3 to 12, inclusive, of this act.

(b) A surety bail bond agent shall keep and make available to the commissioner or the commissioner's designee any books, accounts and

**Substitute Senate Bill No. 28**

records as necessary to enable the commissioner to determine whether such agent is complying with the provisions of sections 3 to 12, inclusive, of this act. A surety bail bond agent shall preserve the books, accounts and records pertaining to a premium payment for at least three years after making such payment. Records that are preserved by photographic or digital reproduction or records that are in photographic or digital form shall be deemed to be in compliance with this subsection.

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

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

Sec. 7. (NEW) (*Effective October 1, 2011*) (a) A surety bail bond agent or a managing general agent shall post build-up funds with an insurer or managing general agent pursuant to the surety bail bond agent's contract with the insurer or managing general agent or the managing general agent's contract with the insurer, as applicable. The insurer or managing general agent shall establish an individual build-up trust account for the surety bail bond agent in a federally insured bank or

**Substitute Senate Bill No. 28**

savings and loan association in this state, jointly in the name of the surety bail bond agent and the insurer or managing general agent, or in trust for the surety bail bond agent by the insurer or managing general agent. The insurer or managing general agent shall immediately deposit build-up funds received from the surety bail bond agent in the build-up trust account. Interest earned on any such deposits shall accrue to the surety bail bond agent. The account shall be open to inspection and examination by the Insurance Department at all times. The insurer or managing general agent shall maintain an accounting of all build-up funds and such accounting shall designate the amounts collected on each bail bond executed.

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

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

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

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

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

**Substitute Senate Bill No. 28**

requirements:

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

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

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

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

(5) The surety bail bond agent shall hold the collateral security or other indemnity in a fiduciary capacity and shall, prior to any forfeiture of a bail bond, keep the collateral security or other indemnity separate and apart from any other funds or assets of the surety bail bond agent;

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

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

***Substitute Senate Bill No. 28***

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

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

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

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

(2) Whenever a stay of execution upon such forfeiture is ordered pursuant to section 54-65a of the general statutes, the surety bail bond

**Substitute Senate Bill No. 28**

agent or insurer shall send such written notice by certified mail, return receipt requested, to the last-known address of the principal and the person who provided the collateral security or other indemnity, at least thirty days prior to the expiration of such stay.

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

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

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

(g) Prior to the appointment of a surety bail bond agent who is currently or was previously appointed by another insurer, the surety

**Substitute Senate Bill No. 28**

bail bond agent shall file with the commissioner a sworn and notarized affidavit, on a form prescribed by the commissioner, stating that: (1) There has been no loss, misappropriation, conversion or theft of any collateral security or other indemnity being held by the agent in trust for any insurer by which the agent is currently or was previously appointed; (2) all collateral security or other indemnity being held in trust by the agent and all records for any insurer by which the agent is currently or was previously appointed are available for immediate audit and inspection by the commissioner, the insurer, or the managing general agent; and (3) such records will, upon demand of the commissioner or insurer, be transmitted to the insurer for whom the collateral security or other indemnity is being held in trust.

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

**Substitute Senate Bill No. 28**

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

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

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

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

**Substitute Senate Bill No. 28**

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

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

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

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

(4) Pay a fee or rebate or give or promise anything of value to a law enforcement officer, judicial marshal, employee of the Department of

**Substitute Senate Bill No. 28**

Correction or other person who has power to arrest or to hold a person in custody, or to any other public official or public employee, to secure a compromise, remission or reduction of the amount of any bail bond or estreatment of bail;

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

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

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

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

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

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

(b) If a bail bond executed by a surety bail bond agent is forfeited

**Substitute Senate Bill No. 28**

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

Sec. 12. (NEW) (*Effective October 1, 2011*) (a) Each insurer and each surety bail bond agent that executes bail bonds in this state shall maintain and transmit the following records, based on such insurer's or such agent's Connecticut bail bond business, to the Insurance Department upon request and, with respect to a surety bail bond agent, shall report the information separately for each insurer represented, except that subdivisions (1), (12) and (13) of this subsection shall apply only to insurers:

(1) Commissions paid;

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

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

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

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

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

***Substitute Senate Bill No. 28***

general statutes;

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

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

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

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

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

(12) The underwriting gain or loss;

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

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

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

**Substitute Senate Bill No. 28**

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

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

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

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

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

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

(a) The commissioner shall demand and receive the following fees:  
(1) For the annual fee for each license issued to a domestic insurance company, two hundred dollars; (2) for receiving and filing annual reports of domestic insurance companies, fifty dollars; (3) for filing all

**Substitute Senate Bill No. 28**

documents prerequisite to the issuance of a license to an insurance company, two hundred twenty dollars, except that the fee for such filings by any health care center, as defined in section 38a-175, shall be one thousand three hundred fifty dollars; (4) for filing any additional paper required by law, thirty dollars; (5) for each certificate of valuation, organization, reciprocity or compliance, forty dollars; (6) for each certified copy of a license to a company, forty dollars; (7) for each certified copy of a report or certificate of condition of a company to be filed in any other state, forty dollars; (8) for amending a certificate of authority, two hundred dollars; (9) for each license issued to a rating organization, two hundred dollars. In addition, insurance companies shall pay any fees imposed under section 12-211; (10) a filing fee of fifty dollars for each initial application for a license made pursuant to section 38a-769; (11) with respect to insurance agents' appointments: (A) A filing fee of fifty dollars for each request for any agent appointment, except that no filing fee shall be payable for a request for agent appointment by an insurance company domiciled in a state or foreign country which does not require any filing fee for a request for agent appointment for a Connecticut insurance company; (B) a fee of one hundred dollars for each appointment issued to an agent of a domestic insurance company or for each appointment continued; and (C) a fee of eighty dollars for each appointment issued to an agent of any other insurance company or for each appointment continued, except that (i) no fee shall be payable for an appointment issued to an agent of an insurance company domiciled in a state or foreign country which does not require any fee for an appointment issued to an agent of a Connecticut insurance company, and (ii) the fee shall be twenty dollars for each appointment issued or continued to an agent of an insurance company domiciled in a state or foreign country with a premium tax rate below Connecticut's premium tax rate; (12) with respect to insurance producers: (A) An examination fee of fifteen dollars for each examination taken, except when a testing service is used, the testing service shall pay a fee of fifteen dollars to the

***Substitute Senate Bill No. 28***

commissioner for each examination taken by an applicant; (B) a fee of eighty dollars for each license issued; (C) a fee of eighty dollars per year, or any portion thereof, for each license renewed; and (D) a fee of eighty dollars for any license renewed under the transitional process established in section 38a-784; (13) with respect to public adjusters: (A) An examination fee of fifteen dollars for each examination taken, except when a testing service is used, the testing service shall pay a fee of fifteen dollars to the commissioner for each examination taken by an applicant; and (B) a fee of two hundred fifty dollars for each license issued or renewed; (14) with respect to casualty adjusters: (A) An examination fee of twenty dollars for each examination taken, except when a testing service is used, the testing service shall pay a fee of twenty dollars to the commissioner for each examination taken by an applicant; (B) a fee of eighty dollars for each license issued or renewed; and (C) the expense of any examination administered outside the state shall be the responsibility of the entity making the request and such entity shall pay to the commissioner two hundred dollars for such examination and the actual traveling expenses of the examination administrator to administer such examination; (15) with respect to motor vehicle physical damage appraisers: (A) An examination fee of eighty dollars for each examination taken, except when a testing service is used, the testing service shall pay a fee of eighty dollars to the commissioner for each examination taken by an applicant; (B) a fee of eighty dollars for each license issued or renewed; and (C) the expense of any examination administered outside the state shall be the responsibility of the entity making the request and such entity shall pay to the commissioner two hundred dollars for such examination and the actual traveling expenses of the examination administrator to administer such examination; (16) with respect to certified insurance consultants: (A) An examination fee of twenty-six dollars for each examination taken, except when a testing service is used, the testing service shall pay a fee of twenty-six dollars to the commissioner for each examination taken by an applicant; (B) a fee of two hundred fifty

**Substitute Senate Bill No. 28**

dollars for each license issued; and (C) a fee of two hundred fifty dollars for each license renewed; (17) with respect to surplus lines brokers: (A) An examination fee of twenty dollars for each examination taken, except when a testing service is used, the testing service shall pay a fee of twenty dollars to the commissioner for each examination taken by an applicant; and (B) a fee of six hundred twenty-five dollars for each license issued or renewed; (18) with respect to fraternal agents, a fee of eighty dollars for each license issued or renewed; (19) a fee of twenty-six dollars for each license certificate requested, whether or not a license has been issued; (20) with respect to domestic and foreign benefit societies shall pay: (A) For service of process, fifty dollars for each person or insurer to be served; (B) for filing a certified copy of its charter or articles of association, fifteen dollars; (C) for filing the annual report, twenty dollars; and (D) for filing any additional paper required by law, fifteen dollars; (21) with respect to foreign benefit societies: (A) For each certificate of organization or compliance, fifteen dollars; (B) for each certified copy of permit, fifteen dollars; and (C) for each copy of a report or certificate of condition of a society to be filed in any other state, fifteen dollars; (22) with respect to reinsurance intermediaries, [ : A] a fee of six hundred twenty-five dollars for each license issued or renewed; (23) with respect to life settlement providers: (A) A filing fee of twenty-six dollars for each initial application for a license made pursuant to section 38a-465a; and (B) a fee of forty dollars for each license issued or renewed; (24) with respect to life settlement brokers: (A) A filing fee of twenty-six dollars for each initial application for a license made pursuant to section 38a-465a; and (B) a fee of forty dollars for each license issued or renewed; (25) with respect to preferred provider networks, a fee of two thousand seven hundred fifty dollars for each license issued or renewed; (26) with respect to rental companies, as defined in section 38a-799, a fee of eighty dollars for each permit issued or renewed; (27) with respect to medical discount plan organizations licensed under section 38a-479rr, a fee of six hundred

**Substitute Senate Bill No. 28**

twenty-five dollars for each license issued or renewed; (28) with respect to pharmacy benefits managers, an application fee of one hundred dollars for each registration issued or renewed; (29) with respect to captive insurance companies, as defined in section 38a-91aa, a fee of three hundred seventy-five dollars for each license issued or renewed; [and] (30) with respect to each duplicate license issued a fee of fifty dollars for each license issued; and (31) with respect to surety bail bond agents, as defined in section 38a-660, as amended by this act, (A) a filing fee of one hundred fifty dollars for each initial application for a license, and (B) a fee of one hundred dollars for each license issued or renewed.

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

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

**Substitute Senate Bill No. 28**

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

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

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

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

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

Any person who violates any provision of [this chapter] sections 29-145, as amended by this act, 29-148, as amended by this act, 29-150 and 29-151 shall be fined not more than one thousand dollars or

**Substitute Senate Bill No. 28**

imprisoned not more than two years or both and [his] such person's right to engage in the business of a professional bondsman in this state shall thereupon be permanently forfeited.

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

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

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

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

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

(2) Directly or indirectly solicit business, unless a request is initiated by an arrested person or potential indemnitor, in or on the property or grounds of a correctional institution, community correctional center or other detention facility where arrested persons are confined, or within

***Substitute Senate Bill No. 28***

any police station or courthouse. For purposes of this subdivision, "solicit" includes the distribution of business cards, print advertising or any other written information directed to arrested persons or potential indemnitors. A correctional institution, community correctional center or other detention facility where arrested persons are confined, police station or courthouse may permit print advertising by a professional bondsman in or on the property or grounds of such institution, center or facility, police station or courthouse, provided such advertising shall be limited to a listing in a telephone directory and the posting of the professional bondsman's name, address and telephone number in a prominent designated location in or on such property or grounds;

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

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

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

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

**Substitute Senate Bill No. 28**

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

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

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

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

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

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

(b) If collateral security or other indemnity was received on a bail bond by a professional bondsman and such bond is terminated, such

**Substitute Senate Bill No. 28**

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

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

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

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

**Substitute Senate Bill No. 28**

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

Sec. 24. (NEW) (*Effective October 1, 2011*) A court shall vacate an order forfeiting a bail bond and release the professional bondsman, as defined in section 29-144 of the general statutes, the surety bail bond agent and the insurer, as both terms are defined in section 38a-660 of the general statutes, as amended by this act, if (1) the principal on the bail bond is detained or incarcerated in another state, territory or country, (2) the professional bondsman, the surety bail bond agent or the insurer provides proof of such detention or incarceration to the court and the state's attorney prosecuting the case, and (3) the state's attorney prosecuting the case declines to seek extradition of the principal.

Approved June 13, 2011