



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony of the Connecticut Insurance Department Before the Insurance and Real Estate Committee February 19, 2015

Raised Bill No. 6734 —An Act Concerning Surety Bail Bonds Agents

Chairmen Crisco and Megna, Ranking Members, and Members of the Insurance and Real Estate Committee, the Insurance Department thanks the Committee for raising, H.B. 6734: An Act Concerning Surety Bail Bonds Agents, at the Department's request and appreciates the opportunity to provide the following testimony.

I would like to briefly touch base on two of the provisions of the proposed bill that the Department considers of the utmost importance. The first is a provision intended to address the failure of surety bail bond agents to pay the annual assessment, which gives to the Department the authority to suspend the license of any surety bail bond agent who fails to pay the annual assessment in a timely manner. Given the time necessary, under the Uniform Administrative Procedures Act, to take action against licensees who violate the insurance laws bondsmen are currently able to delay considerably the amount of time in which they pay their assessment by simply disregarding the deadline set by statute and to game the system paying just before any administrative action can be concluded without seriously risking the suspension or revocation of their license.

The second, is a provision relating to the retention of funds allotted for the audit of the business practices of surety bail bond agents. As you know, the payment of the annual assessment, as well as all the reporting requirements currently in place, are crucial underpinnings of the Public Act 11-45, which established the fee to cover the cost of audits and proper monitoring of the bail bond industry through a number of mechanisms designed to prevent abuses. The audits ensure that the provisions of the new laws are being followed and a number of requirements currently in place allow for proper monitoring. Section Three of this bill would extend the statutory time in which the Department can use the funds in the account, thus extending the period over which the Department is able to perform bail bond audits.

The Department thanks the Committee Chairs and members for the opportunity to provide this testimony on this bill.

About the Connecticut Insurance Department: The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than \$4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry. Each year, the Department returns an average of \$100 million a year to the state General Fund in license fees, premium taxes, fines and other revenue sources to support various state programs, including childhood immunization.