OLR Bill Analysis
HB 7175

AN ACT CONCERNING SURETY BAIL BOND AGENTS.

SUMMARY

This bill makes several changes to the statutes relating to surety bail bond agents. A surety bail bond agent ("agent") sells bail bonds in criminal cases through a contract with an insurer. The insurance commissioner licenses and regulates the agents.

Specifically, the bill does the following:

1. establishes an automatic license expiration process for when a surety bail bond agent fails to pay the required annual $450 examination fee;

2. changes when money in the surety bail bond examination account is transferred to the General Fund to the end of the calendar year, instead of the end of the fiscal year;

3. limits how often the commissioner may examine an agent’s books and records to no more than once every three years or more often as he deems necessary for good cause; and

4. allows the commissioner to adopt regulations establishing continuing education requirements for licensed agents.

EFFECTIVE DATE: October 1, 2019

LICENSE EXPIRATION PROCESS

Under the bill, a surety bail bond agent's license expires on February 1 if the agent fails to pay the required annual $450 examination fee by January 31. But if the agent pays the fee on or by February 10, the commissioner must immediately reinstate the agent's license. The bill
requires the commissioner, annually by December 15, to notify each agent of the expiration provision.

Under current law, the commissioner follows procedures under the Uniform Administrative Procedure Act when an agent fails to pay the fee by the deadline, which allows for an extended timeframe for adjudicating such issues.

TRANSFER OF ACCOUNT MONEY

By law, examination fees are deposited in the surety bail bond examination account, which is an account within the Insurance Fund that the commissioner uses to pay the costs of examining agents' books and records. The bill changes when money remaining in the account is transferred to the General Fund from the end of the fiscal year to the end of the calendar year. Thus, it allows him access to the money for a longer period of time than under current law.

EXAMINATION FREQUENCY

The bill limits how often the commissioner may examine agents' books and records to no more than once every three years or more often as he deems necessary for good cause. Current law allows him to examine agents as often as he deems necessary.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 15   Nay 5   (03/14/2019)