

Insurance and Real Estate Committee

SENATE FAVORABLE REPORT

Bill No.: SB-207

AN ACT CONCERNING THE INSURANCE DEPARTMENT'S

Title: RECOMMENDATIONS REGARDING SURETY BAIL BOND AGENTS.

Vote Date: 3/10/2020

Vote Action: Joint Favorable

PH Date: 2/25/2020

File No.:

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

This bill will restrict how frequently the Insurance Commissioner may examine a surety bail bond agent's books and records, (2) automatically cancel a surety bail bond agent's license if the agent does not pay an annual examination fee, (3) reschedule an annual transfer to the General Fund from the surety bail bond agent examination account, and (4) authorize the commissioner to adopt regulations concerning continuing education requirements for surety bail bond agents.

RESPONSE FROM ADMINISTRATION/AGENCY:

State of Connecticut Insurance Department supports the bill and feels it will improve the surety bail bond industry and protect consumers by requiring continuing education for agents which will also create uniform practice standards. Additionally, there is currently no penalty or incentive for agents to pay their annual assessment fee by the January 31st due date. The delay in payment often experienced by the department, hinders the department's ability to conduct audits since the funds are only available for a short period of time before they are transferred into the General Fund. The bill also moves the transfer date of the surety bail bond agent examination account from the end of the fiscal year to the end of the calendar year. The Insurance Department has requested this change because licenses are renewed in January, and therefore the funding is only available for six months. Lastly, this bill would allow for the automatic expiration of a license if the required fee is not paid on or before the required date. The license will be immediately reinstated if payment is received ten days after expiration.

NATURE AND SOURCES OF SUPPORT:

None Expressed

NATURE AND SOURCES OF OPPOSITION:

BAIL ASSOCIATION OF CT AND AMERICAN BAILCOALITION believe the current method being used in conducting audits of surety bail agents is not in line with other Connecticut producer licensees and feel that the scope of the audits fails to address many industry concerns. we believe that limiting the scope of enforcement by only allocating the funds collected from the bail agent licensees is contributing to this failure. we would like to expand the fraud division's access to these funds beyond file audits, which seem mostly to net grammatical, clerical and procedural errors.

Reported by: Diane Kubeck

Date: March 24, 2020