



House of Representatives

General Assembly

File No. 340

January Session, 2021

Substitute House Bill No. 6393

House of Representatives, April 8, 2021

The Committee on Insurance and Real Estate reported through REP. WOOD, K. of the 29th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE INSURANCE DEPARTMENT'S RECOMMENDATIONS REGARDING SURETY BAIL BOND AGENTS.

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

1 Section 1. Subsection (k) of section 38a-660 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2021*):

4 (k) (1) (A) To further the enforcement of this section and sections 38a-
5 660b to 38a-660m, inclusive, as amended by this act, and to determine
6 the eligibility of any licensee, the commissioner may, as often as the
7 commissioner deems necessary, examine the books and records of any
8 such licensee. Each person licensed as a surety bail bond agent in this
9 state shall, on or before January thirty-first, annually, pay to the
10 commissioner a fee of four hundred fifty dollars to cover the cost of
11 examinations under this subsection.

12 (B) If such person fails to pay such fee on or before January thirty-
13 first, annually, the license of such person shall automatically expire on

14 the February first immediately following, provided the commissioner
15 shall immediately reinstate any such license if the commissioner
16 receives such fee not later than thirty days after such expiration.

17 (C) The commissioner shall notify, not later than December fifteenth,
18 annually, each person licensed as a surety bail bond agent in this state
19 about such automatic expiration provision.

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

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

31 Sec. 2. Section 38a-660m of the general statutes is repealed and the
32 following is substituted in lieu thereof (*Effective October 1, 2021*):

33 The commissioner may adopt regulations, in accordance with the
34 provisions of chapter 54, to (1) implement the provisions of section 38a-
35 660, as amended by this act, and sections 38a-660b to 38a-660k, inclusive,
36 and (2) establish continuing education requirements for persons
37 licensed as surety bail bond agents in this state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2021	38a-660(k)
Sec. 2	October 1, 2021	38a-660m

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: None

Municipal Impact: None

Explanation

The bill makes various changes including those that prevent licensees from delaying payment of the annual licensing fee. The bill has no fiscal impact as it does not change the annual licensing fee collected but rather prevents a delay in such payments (currently licensees are able to delay renewal payment by several months) and the Insurance Commissioner already sends expiration date reminders.

The Out Years

State Impact: None

Municipal Impact: None

Sources: Connecticut Insurance Department

OLR Bill Analysis**sHB 6393*****AN ACT CONCERNING THE INSURANCE DEPARTMENT'S RECOMMENDATIONS REGARDING SURETY BAIL BOND AGENTS.*****SUMMARY**

This bill makes changes to the insurance statutes relating to surety bail bond agents. A surety bail bond 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 at the end of the calendar year, instead of the end of the fiscal year; and
3. authorizes the commissioner to adopt regulations establishing continuing education requirements for surety bail bond agents.

EFFECTIVE DATE: October 1, 2021

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 within 30 days after the expiration, the commissioner must immediately reinstate the agent's license. The bill requires the commissioner to notify each agent of the expiration provision annually by December 15.

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 these 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. So, it allows him access to the money for a longer period of time than under current law.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 17 Nay 1 (03/22/2021)