



**State of Utah**

SPENCER J. COX  
Governor

DEIDRE M. HENDERSON  
Lieutenant Governor

## Insurance Department

JONATHAN T. PIKE  
Insurance Commissioner

# BULLETIN 2024-3

To: Utah Bail Bond Agencies  
From: Jonathan T. Pike, Insurance Commissioner  
Date: March 6, 2024  
Subject: **Insurance Department's Duty to Suspend a License for Not Paying a Forfeiture Judgment**

It is well-established that a bail bond agency has two options when facing a forfeiture judgment – challenge it or pay it. *Utah Code* § [31A-35-504\(2\)](#). If the agency does neither, the prosecutor in the case must notify the Department of this fact. *Id.* And once notified, the Department must suspend the agency's license if the judgment isn't paid within the next five days. *Id.* at § [31A-35-504\(3\)](#). The Department has no statutory discretion to do otherwise, even if the court erred in entering the judgment or the prosecutor mistakenly notified the Department. *Id.* Instead of contacting the Department, an agency in this situation should consider contacting the court or the prosecutor for relief.

Recently, agencies have asked the Department not to suspend their licenses even though the prosecutor has notified the Department of their failures to pay. However, the Department has and will continue to refuse those requests because it has no legal authority to consider them. If there are doubts about this, consider the following step-by-step description of the statutory process that leads to suspension.

- Step 1:** A court enters a judgment of bail bond forfeiture.
- Step 2:** The prosecutor notifies the bail bond agency of the judgment.
- Step 3:** The bail bond agency does one of the following not later than 15 days after receiving notice of the judgment:
- A. Pays the judgment;
  - B. Files a motion to set aside the judgment; or
  - C. Files an application for an extraordinary writ.
- Step 4:** When the 15-day period has expired, the prosecutor:
- A. Takes no further action because the agency paid the judgment;
  - B. Takes no further action because:
    - (1) the agency filed a motion to set aside the judgment or an application for an extraordinary writ; and

- (2) the agency provided proof that it posted the judgment amount with the court in the form of cash, a cashier's check, or certified funds; or
- C. Notifies the commissioner of the failure to pay the judgment if prosecutor does not receive proof of or notice of payment.

"A prosecutor who does not receive proof of or notice of payment of the judgment within 15 days after the service of notice to the agency of a judgment shall notify the commissioner of the failure to pay the judgment." Utah Code § [31A-35-504\(2\)\(b\)\(i\)](#).

**Step 5:** If the Department receives a notice of non-payment from the prosecutor, the Department shall notify the agency of the nonpayment of the judgment.

"The commissioner shall notify the agency, by the most expeditious means available, of the nonpayment of the judgment." Utah Code § [31A-35-504\(2\)\(b\)\(ii\)](#).

**Step 6:** If the agency does not pay the judgment within the next five business days, the Department shall suspend the agency's license not later than five days after the agency fails to pay.

"The commissioner shall suspend the license of the agency not later than five days following the agency's failure to satisfy the judgment as required under Subsection (2)(b)." Utah Code § [31A-35-504\(3\)](#).

Please direct questions about this bulletin to Reed Stringham ([rmstringham@utah.gov](mailto:rmstringham@utah.gov)) or to Tracy Klausmeier ([tklausmeier@utah.gov](mailto:tklausmeier@utah.gov)).

DATED this 6th day of March 2024.



---

Jonathan T. Pike  
Insurance Commissioner