

M. GALE LEMMON #4363
Assistant Attorney General
MARK L. SHURTLEFF #4666
Attorney General
Attorneys for Utah Insurance Department
160 East 300 South, Fifth Floor
P.O. Box 140874
Salt Lake City, UT 84114-0874
Telephone: 801.366.0375

RECEIVED
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UTAH STATE
INSURANCE DEPT

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

PRICE BAIL BONDING, INC.



License No. 97874

STIPULATION AND ORDER

Docket No. 2011-019 PC

Enf. Case No. 2771

STIPULATION

1. Respondent, Price Bail Bonding, Inc. is a licensed bail bond surety company in the State of Utah, holding License No. 109166.
2. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:
 - a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;
 - b. Respondent admits the Findings of Fact and Conclusions made therefrom;
 - c. Respondent stipulates to the summary entry of the Order herein which

shall be in lieu of other administrative proceedings by Complainant in this matter; and

d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.

3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.


4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

DATED this 5 day of MARCH, 2011.


PRICE BAIL BONDING, INC.
Bert Christenson, President


UTAH INSURANCE DEPARTMENT
M. Gate Lemmon
Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. On or about July 15, 2010, Respondent failed to submit its accountant reviewed financial statements with its renewal application.
2. Because of this failure, Respondent's license lapsed.
3. On September 3, 2010, the Department received the required financial statements.
4. During the period July 16, 2010 through September 2, 2010, Respondent issued 67 bonds for \$17,557 in total premiums.
5. During a telephonic interview, Bert Christenson stated he submitted his renewal application without the required financials because his accountant was still reviewing them. Christopherson agreed to a forfeiture of \$2,000 and probation for 24 months.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Utah Code Ann. § 31A-35-404 sets forth the minimum financial requirements for a bail bond surety license company license as follows:

(1) (a) A bail bond surety company that pledges the assets of a letter of credit from a Utah depository institution in connection with a judicial proceeding shall maintain an irrevocable letter of credit with a minimum face value of \$300,000 assigned to the state from a Utah depository institution.

(b) Notwithstanding Subsection (1)(a), a bail bond surety company described in Subsection (1)(a) that is licensed under this chapter as of December 31, 1999, shall maintain an irrevocable letter of credit with a minimum face value of \$250,000 assigned to the state from a Utah depository institution.

(2) (a) A bail bond surety company that pledges personal or real property, or both, as security for a bail bond in connection with a judicial proceeding shall maintain:

(I) (A) a current financial statement:

(I) reviewed by a certified public accountant; and

(II) showing a net worth of at least \$300,000, at least \$100,000 of which is in liquid assets; or

(B) notwithstanding Subsection (2)(a)(I), if the bail bond surety company is licensed under this chapter as of December 31, 1999, a current financial statement:

(I) reviewed by a certified public accountant; and

(II) showing a net worth of at least \$250,000, at least \$50,000 of which is in liquid assets;

(ii) a copy of the applicant's federal income tax return for the preceding two years; and

(iii) for each parcel of real property owned by the applicant and included in net worth calculations:

(A) a title letter; and

(B) an appraisal dated not more than two years prior to the date of application.

(b) For purposes of this Subsection (2), only real or personal property located in Utah may be included in the net worth of the bail bond surety company.

2. Utah Administrative Code Rule R590-186-5 outlines the license renewal

requirements:

A licensed bail bond surety company shall renew its license on or before July 15 of each year by meeting the following requirements:

(1) file with the insurance commissioner a renewal application, pay the required renewal licensing fee set forth in R590-102, Insurance Department Fee Payment Deadlines, and provide the additional information described in this section.

(2) If the applicant relies on the ownership of real or personal property as the financial basis for issuing bail bonds the applicant must include the following with the renewal:

(a) a statement that no material changes have occurred negatively affecting the property's title, including any liens or encumbrances that have occurred since the last license renewal;

(b) a financial statement reviewed by a certified public accountant as of the end of the most current fiscal year showing a net worth of at least \$300,000, at least \$100,000 of which must consist of liquid assets and a copy of the applicant's federal income tax return for the prior year; and

(c) the following items are required as indicated:

(I) renewal in 2002, 2008, and 2014: a preliminary title report dated not more than one month prior to the date of the renewal application for each parcel of real property owned by the applicant and included in the applicant's net worth calculation; or

(ii) renewal in 2005, 2011, and 2017: a preliminary title report and a current appraisal dated not more than one month prior to the date of the renewal application for each parcel of real property owned by the applicant and included in the applicant's net worth calculation.

(3) Renewal applicants who were licensed as a bail bond surety company prior to December 31, 1999, may opt to apply under the lower limits in effect at that date.

(a) For renewal applicants relying on a letter of credit as the financial basis for issuing bail bonds, the amount is reduced to \$250,000.

(b) For renewal applicants relying on real or personal property as the basis for issuing bail bonds, the amount is reduced to a net worth of at least \$250,000, at least \$50,000 of which must consist of liquid assets.

(c) Renewal applicants opting for lower limits are limited to the 5 to 1 ratio of outstanding bond obligations as shown in R590-186-9.

3. By continuing to write bail bonds during the period July 16, 2010 through September 2, 2010, Respondent Price Bail Bonding violated the above statutory and rule provisions.

4. An administrative forfeiture of \$2,000.00 and probation for a period of 24 months is appropriate under the circumstances.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

ORDER

IT IS HEREBY ORDERED:

1. Respondent Price Bail Bonding is hereby assessed an administrative forfeiture in the amount of \$2,000.00 to be paid to the Utah Department of Insurance within 30 days of the issuance of this Order.

2. Respondent is placed on probation for a period of 24 months. The terms of probation are that Respondent shall have no further violations of the Utah Insurance Code, Department Rules, or any order of the Commissioner.

DATED this 15th day of March, 2011.

NEAL T. GOOCH
Insurance Commissioner



MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

NOTIFICATION

You are hereby notified that a failure to obey and Order of the Commissioner may subject you to further penalties, including forfeiture of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of us to \$10,000 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.