



# Insurance Department

State of Utah

GARY R. HERBERT  
Governor  
SPENCER J. COX  
Lieutenant Governor  
TODD E. KISER  
Commissioner

## Bail Bond Surety Oversight Board Meeting

(<https://insurance.utah.gov/licensee/other/bail-bond/board>)

**Date:** January 9, 2019

**Time:** Noon

**Place:** East Building, Copper Room

### BOARD MEMBERS

xClay Carlos (Chair)	Ryan Cooper
xDominic Sanone (Co-Chair)	xTony Choate
xLt. Ken Jones	xCurt Oda
Chad Woolley	xReed Stringham (Non-Voting)

### DEPARTMENT STAFF

xTodd Kiser, <i>Ins. Commissioner</i>	xTracy Klausmeier, <i>P&amp;C Director</i>	xCathy Burton, <i>Examiner</i>
xPerri Babalis, <i>AG Counsel</i>	xSteve Gooch, <i>PIO Recorder</i>	

### PUBLIC

Gerald M. Conder	Dyon Flannery	Wayne M. Carlos
Craig Crawford	Clyde W. Stevens	

## MINUTES — Approved

- **General Session (Open to the Public)**
  - Welcome / Clay Carlos, Chair (12:10 pm)
  - Adoption of Minutes for October 10, 2018 meeting
    - **Motion by Curt to adopt minutes. Seconded by Ken. Motion passes 4-0.**
- **Executive Session - If Needed (Closed to the Public)**
- **General Session (Open to the Public)**
  - **Approve Recommended Actions from Executive Session** – Not needed
  - **Summary of Reports / Cathy**
    - Licensing
      - In October, November, and December, there were 7 lapsed licenses that were reinstated. Cathy says to make sure that people associated to the agency have an active license. That's the agent's and agency's responsibility.
      - Cathy notes that Sircon won't allow agents to reinstate their licenses for 3 days after the first of the month. Clay says that once someone lapses, they need to wait to write a bond until after they show up on the UID's website. Cathy encourages agents to contact their agency to let them know that their license has been reinstated.
    - Enforcement
      - There were 12 investigations, most of which are forfeiture judgments from the court, and designation issues. Cathy cautions that agencies are notified by the court of forfeiture judgments. Once a forfeiture judgment has been entered into court records, the prosecutor notifies the agents or agencies that they have a certain amount of time

to pay it. Cathy is notified after that period of time. Ideally, there should not be any forfeiture judgments that come to Cathy's attention.

- All open cases have been closed. Clay notes that the longest any have been open is 15 days. Cathy says the process is working.
- Agency Audit Update: None
- Proposed Penalties for Board's Review: None
- **New Business**
  - Board and Department responsibilities / Reed
    - Reed, Cathy, and Tracy looked at the Utah Code and the UID's rules to see what reporting is required. The required reports are identified in 31A-35-202. The Board shall screen license applications and the UID needs to provide that report. The Board shall recommend to the Commissioner several items noted in Subsection (d); this has not been reported, so it will start at the next meeting. The UID needs to report when it's going to renew, suspend, revoke, or reinstate licenses so the Board can comment on them. In some situations, there may be sensitive information that may lead to a closed session.
    - Reed notes that the UID currently has 3 other reports that should be given to the Board. If the UID receives a written complaint for unprofessional conduct, it needs to be presented to the Board at the next quarterly meeting, and the Board can comment on it. At the meeting after that, the UID reports on its findings from the investigation and makes recommendations for the disposition of the complaint, after which the Board can make comments, concur, or have the UID investigate further. At the meeting after that, the UID reports on the additional investigation, and 30 days after that the Board makes a recommendation as to the disposition of the investigation. If you add it up, it takes 6 to 10 months to finish an investigation. That's not fair to anyone who's being investigated or to consumers. It also causes problems for the UID because investigations should be completed in 75 days.
    - The UID is going to repeal that rule and put in a time frame that works for everyone. The Board is welcome to give input as the rule moves forward. Clay clarifies that it's being repealed just for the time frame, not to take out the Board's ability to have any oversight. Reed says that's correct. There's 90 days in between meetings and it doesn't do any good to have to keep coming back repeatedly. Hopefully the Board can decide during a single meeting whether the disposition is acceptable.
    - Wayne Carlos asks if information or recommendations will be given to the Board prior to the meeting so they can look at it beforehand. Reed says information would be given before the meeting along with the normal materials so Board members can be up to speed.
    - Dominic notes that the Board is required to meet quarterly, but they can meet other times if action needs to be taken. Curt says it's within the Board's purview to do phone meetings. Reed says yes, the chair needs to call the meeting, and there are certain requirements that need to be met for a telephone meeting.
    - Clay is all in favor of making a better system, but he's concerned about giving up the little authority the Board has. Reed understands and will put together a recommended rule that the Board will be able to give input on.
- **Old Business**
- **Other Business**

- Legislative update / Reed
  - Reed says there is a copy of the section of the UID's bill (HB 55) that will amend the bail bond code to clarify the process for getting a license.
  - It says an applicant submits their application and fee to the UID, the UID reviews it, then presents it to the Board. The Board decides whether it recommends a license. If the Board recommends issuing a license, the Commissioner issues it. If the Board recommends against a license, the Commissioner has the final say. This is the same procedure we have now. If the Commissioner says no, the applicant can request a hearing.
  - The change is being made to fix some confusing language that Reed found when he was dealing with a previous situation.
  - Curt notes that the old statute shows a 15-day period to file a hearing request, but the new statute doesn't. Reed clarifies that the rule has the 15-day period, not the statute. Curt says he's hesitant about leaving that part in rule because it can be changed easily. There needs to be a solid, set timeline so it doesn't get changed too often. Reed reads a section of the proposed rule that begins on line 3600: *"If the commissioner denies an application for a bail bond agency license under this chapter, the commissioner shall provide prompt written notification of the denial by commencing an informal adjudicative proceeding in accordance with Title 63G, Chapter 4, Administrative Procedures Act."* The Administrative Procedures Act creates the 15-day requirement.
  - Curt thinks a request for a hearing needs to be pretty well set. Rules can be changed within a matter of 60 days. If it's in statute, it has to be changed by the legislature. Reed notes that it's in the statute — the Administrative Procedures Act — it's just not this particular statute. Curt asks whether the Act applies to all hearing requests. Reed says yes, within any informal proceeding, you have 15 days to request a hearing. Reed says he's happy to put it back in, however.
  - Perri looks it up and confirms that 63G-4-301 does specify 15 days for filing any hearing request. Curt says he'd still be more comfortable keeping it in the statute.
- Curt goes back to the minutes.
  - Curt wonders if there's a possibility of getting the minutes much earlier. He says it's difficult to remember what happened 3 months later. He wonders if the minutes can be done and sent so they can be reviewed within a short period of time, maybe 10 days or something like that. Clay says he understands and agrees. Steve will shoot for 10 days. Curt says maybe 2 weeks, just to give a reasonable short period of time to look at it.
  - He asks about the \$5 license printing fee charged by Sircon that was discussed in January and whether the Board got a response. Clay says they got a lengthy explanation about why they're charged \$5 and a lengthier explanation of how to avoid the fee. Dominic notes he printed his today and didn't get charged. Tracy said Sircon told her there isn't an additional fee. Dominic says there has been up until this morning. Tracy said she'll be happy to take anything showing the fee to Sircon. She called them right after the January meeting and they said there shouldn't be a fee. She didn't have documentation, but if anyone can provide it she'll be happy to take it to them. Dominic and Clay both say they should have something to send her.
- Update on board member terms / Steve

- 4 board members have terms that finish on June 30: Clay, Ryan, Curt, and Chad. Curt and Chad were finishing the second terms of other people, so they can't be reappointed; Ryan is finishing his second term; and Clay is finishing his first.
- The agenda has a link to the Boards & Commissions website (<https://boards.utah.gov/Board/Details/230>) in case anyone knows of anybody who is interested in joining.
- Curt asks how long a person can serve. Steve says it's two 4-year terms consecutively. Dominic says then you can take a term off and come back.
- Clay asks why Curt can't come back. Steve says it's because he's finishing someone's second term. Clay suggests everyone put their feelers out to find new talent for the Board.
- **Adjourned** (12:38 pm)
  - **Motion by Dominic to adjourn. Seconded by Tony. Motion passes 5-0.**
  - **Next Meeting: April 10, 2019** — Copper Room, East Building

**2019 Meetings (Noon to 1:30pm)**

Jan 9, 2019	Apr 10, 2019	July 10, 2019	Oct 9, 2019
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