



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

NEAL T. GOOCH
Aptd. Insurance Commissioner

Insurance Department

Bail Bond Oversight Board Meeting

Date: October 13, 2010

Time: Noon

Place: Copper Room
East Building behind Capitol

Board Members

xMichael Weddington (Chair)
xBrad Jenkins (Vice Chair)
xGordon Wright
Megan I. Corrent

xClayton A. Simms, LLC
Camille L. Neider
xCraig Crawford

Staff

xSuzette Green-Wright
Brad Tibbitts
xJilene Whitby

xPerri Babalis
xAdam Martin

xTracy Klausmeier
xJaimee George

Public

None

MINUTES

General Session (Open to the Public) Mike

- **Adoption of Previous Meeting Minutes / Chair**
Clayton **moved** to approve last month's minutes without change, Brad seconded it and the vote was unanimous.
- Jaimee George and Adam Martin, market conduct examiners assigned to the Board, were welcomed and introduced. Adam was in the military 25 years, ten years with the military police, eight years as an analyst for the California Department of insurance, and four years with the Department's Producer Licensing Division. Jaimee has been a financial advisor for many years and has a Masters degree in Finance.
- **Motion** by Clayton to move to Executive Session, seconded by Brad and a unanimous vote at 12:04pm.

Executive Session - (Closed to the Public)

- **Summary of Enforcement Report / Suzette**
Suzette pulled all e-cases since the first of year to review them. Most are closed. Nothing is outstanding. One case is on appeal but there is no paperwork on it yet.
- **Summary of Consumer Complaints / Investigations / Suzette**
 - Complaints: No new complaints.
 - Investigations: There are three open investigations.
 - Perri stated that since there was no identifiable information on the reports they did not require an Executive Session. Reports can include names for the Executive Session.
 - Brad reported that an agency appealing an action against it told him they would be back in business next week. Suzette and Perri noted that they knew of no appeals.

- Superior's license lapsed from July to October, 2010 due to failure to provide financials. Department is determining number of bonds issued. Bonds written while license is lapsed would be a violation. The department waits 30 days following the renewal date to be sure they have all the renewals and attached documents in order. If they are not the license is lapsed back to the renewal date.
 - Second Chance failed to return collateral.
 - **Applications / Suzette**
 - **Alpha Bail Bond**
 - Brad Jenkins left the room while the application was discussed by the Board.
 - Alpha is owned by Brad Jenkins and his wife, Melody.
 - A question arose if they needed a separate address. No.
 - Melody is a principal, registered agent and office manager. Brad is also a principle. Clayton did not think she could be a registered agent and an officer. It was determined that Brad should sign the back of the application.
 - Their forms have been filed but not reviewed. This should not impact the approval of the application.
 - Mike received a complaint about an ad for Superior Bail Bonds. Add said they have 30 years of experience. The agency and its agents received their licenses in 2010. Paperwork was given to Suzette.
 - **Motion** to move to General Session by Camille, seconded by Clayton and the vote was unanimous.

General Session (Open to the Public)

- **Approve Recommended Actions from Executive Session** (if needed)
Nothing to approve.
- **Applications / Suzette**
 - **Alpha Bail Bond**
Camille made a **motion** to accept the application based on adding Melody as officer and having Brad sign the back of the application, Gordon seconded it and the vote was unanimous.
- **Old Business**
 - **Draft Additional Changes to Rule R590-186 / Suzette**
 - Pulled rule from rulemaking until code changes are made by the legislature. There are two choices:
 - ✓ Don't change the rule until legislature makes changes; or
 - ✓ Take the changes in Subsection (8) out and make other changes. The other changes relate to letters of credit and unprofessional conduct.
 - Brad made a **motion** to take Subsection 8 out and pass everything else.
 - Gordon did not agree with the change in Section 7 requiring the agent to notify the bail bond surety of an action against them. How would one prove they did not receive the notice and what is a "business day," the states or agencies? It should be sent by certified mail. Law should be changed to require courts to notifying the surety. Go back to the code language in 2005.
 - Brad withdrew his motion.
 - Suzette said the bond changes in the legislation would need to be withdrawn.
 - Brad wondered if there should be a standard for every bond requiring them to have the agent's name and contact information. Suzette asked if the courts scan everything. Some do. All should be by December 31, 2012.
 - Suzette asked if they wanted to include the changes to the letter of credit.

- It was determined that the only changes to be made in this rule would be the adding of Subsection 4.(5) and Subsection 5.(4). Gordon said he would try to get sponsor for this change and Suzette said that the department would back the changes. We need to make sure that those not backed by sureties get a notice of this change. Suzette was asked to make the changes.
 - **Motion** by Clayton to revisit this issue next month, Brad seconded it and the vote was unanimous.
 - **Update of changes to 31A-35-202, "Shall" to "May"** / Suzette
The department's bill is in Legislative Research's hands. Should be back soon. Mike asked that this be **kept to the agenda**.
- **New Business**
 - Brad: Would like input as to how to stop bad actors from coming back into the market using another name. Tracy talked about the possibility of adding qualifications to Chapter 35 of the code.
 - Craig said Wayne Carlos called him about two agencies that had lapsed licenses over the weekend. Suzette said they had failed to file their financials but got them in on Monday.
 - Suzette said they were considering requiring a certain amount of experience before a bounty hunter becomes an agent. Possibly they would apply for an apprentice license and then after so many hours they could apply for an agent's license. Tracy thought an apprentice could include time working in a bail bond office to qualify for an agent's license. Section 31A-35-401 would need to be changed. **Brad agreed to draft the language**. The department could agree with the language once after reviewing it.
- **Other Business**
- **Adjourned** Brad moved to adjourn Clayton seconded Clayton at 1:15pm.
- **Next Meeting** November 10, 2010, **Copper** Room, East Building

2010 Meetings

Nov 10 Dec 8