



## State of Utah

GARY R. HERBERT

*Governor*

GREG BELL

*Lieutenant Governor*

NEAL T. GOOCH

*Insurance Commissioner*

# Insurance Department

## Bail Bond Oversight Board Meeting

([http://www.insurance.utah.gov/producers/bailbond\\_board.html](http://www.insurance.utah.gov/producers/bailbond_board.html))

**Date:** November 9, 2011

**Time:** Noon

**Place:** Spruce Room

East Building behind Capitol

### *Board Members*

(Attendees = x)

xBrad Jenkins (Chair)

xGordon Wright (Co-Chair)

xMegan I. Corrent

xPeter Stevens

xRyan Cooper

xCraig Crawford

xLohra Miller

xBrad Tibbitts (Non-voting)

### *Staff*

xSuzette Green-Wright

xJaimee George

xPerri Babalis

xJilene Whitby

xBrett Barratt

xRandy Overstreet

### *Public*

Dustin Norman

Wayne Carlos, AAA

Josh Massey, Massey's BB

Carry Nowok

Clint McQueen

Kitty Rasmussen

Mindy from Bail Out

Annette Jones

Ty Webber, Statewide

Patty R. from Uintah Basin

Ed Simine

Thomas Pappas

Gary Walton

LD Sanone

Jody Guierrez

Jack Reed, Uintah Basin

Larry Nowak, Bad Boys

Robin Lopez

Shayne Hoyt

Tony Choate

## MINUTES

### *General Session (Open to the Public)*

- **Welcome**
- **Adoption of Previous Meeting Minutes / Chair**  
Gordon **moved** to adopt the minutes, Craig seconded it and the vote was unanimous.
- **Executive Session - Not Needed**
- **Summary of Enforcement Reports / Jaimee**
  - Received 2 consumer complaints
  - Scheduled 6 audits
  - Conducted 6 audits
  - Two investigations opened and 10 were closed. One open investigation was for failure to produce documents and one for collecting premium from someone outside the bail agreement.
  - Six new e-cases were moved from closed investigations; one used outdated or unapproved forms and five were fiduciary or trust account violations.
  - Department is closing cases within 90 days, except one that is longer.
  - Jaimee is not seeing any new problems during her audits.
- **Applications - None**
- **Old Business**
  - **Discuss Deposits and the 10% Rule / Industry**
    - Comments that were expressed are as follows:

- Sometimes bad debts have to be written off because they can't be collected.
- Is there documentation that there is a problem? Have there been complaints?
- There are no tools to enforce the rule.
- Brad Jenkins provided background to the rule noting it came from industry.
- Laura does not like a regulatory board setting charges.
- Dominic said the rule was put into effect not knowing what impact it would have.
- This regulation is needed.
- Wholesale discounting is not good for this industry. Tools need to be provided to stop it.
- Gordon noted that a major reason for the rule was the result of one man who charged 5%, collected a portion of it and then left the state owing tons of money.
- Member of the public suggested the association look at this problem. Another said they did not want more restrictions but did need protection from bad actors.
- Jaimee reported that the 10% rule was not working. She receives complaints she can't verify. Undercutting is still occurring.
- Lohra suggested addressing bad business practices, not pricing.
- Brad said the industry can't require the department to regulate without giving them the tools to do it. The Association needs to come with a proposal.
- Lohra would like to see what the problems are. How did the problems occur? What people are you trying to stop?
- It was noted that even agencies with collateral backing were going under and they were walking away.
- Wayne said higher bail amounts started the discounting.
- Pete noted that prices were declining and risks were going up. Some should consider getting out of the business or they will ultimately be forced out. He did not think there was a way to reverse the trend of lowering prices. Pricing is not a government, but an industry issue. The department's job is to protect the public.
- **Reminder of [CE Requirements](#)** / Randy  
Randy provided a hand-out reminding attendees of the new CE requirement to have two hours to renew their licenses as of January 1, 2012. This is the only limited lines license that requires CE. The industry asked for this law. Lohra said the Bar Association requires lawyers meet certain educational requirements. If you want to regulate yourselves then have a strong association. Dues pay for investigators. People must meet minimum requirements.
- **New Business**
  - **[Chapter 35 Proposed Revisions](#)**
    - Garry referred to p. 12, (2)(d) and (2)(e). They seem to conflict. Lohra did not think so.
    - Perri said the Board's role regarding legislation is advisory.
    - Gordon made a **motion** to set aside the changes to Chapter 35 and give the industry a chance to review the matter and come back with an alternate recommendation. A member of the public said the changes would hurt smaller agencies and would not help Jaimee improve her audits or the industry.
    - Discussion: Wayne said CE would solve most of our problems.

- Lohra said the industry needs to decide where they want to go and make sure rules and regulations get them there, or leave it to the government to regulate them.
- Suzette said some of the changes are needed like that in Section 31A-35-607 dealing with form filings. She invited the public to let her know what changes they felt were needed. Lohra seconded the motion and the vote was unanimous.

**Other Business** - None

**Adjourned:** 1:10pm

**Next Meeting:** December 14, 2011, Spruce Room, East Building

### **2011 Meetings**

Dec 14