



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: June 8, 2010

Time: Noon

Place: Copper Room
East Building behind Capitol

Board Members

Michael Weddington (Chair)

Brad Jenkins (Vice Chair)

Gordon Wright

Megan I. Corrent

Clayton A. Simms, LLC

Camille L. Neider

Craig Crawford

Department Staff

Suzette Green-Wright

Brad Tibbitts

Perri Babalis

Robert Herrera

Tracy Klausmeier

Jilene Whitby

Public

Gary Walton

Jody Gutierrez

Ryan Cooper

Wayne Carlos

L D Sanone

MINUTES

General Session (Open to the Public)

- **Adoption of Previous Meeting Minutes / Chair**

Gordon made a motion to adopt the minutes, Brad seconded it and the vote was unanimous.

Executive Session (Closed to the Public)

General Session (Open to the Public)

- **Approve Recommended Actions from Executive Session** (if needed)

No recommended action to approve.

- **Applications / Robert**

- **All Area Bail Bonds**

Application is incomplete and power of attorney absent. No action could be taken.

- **Old Business**

- Draft Changes to Rule R590-186 / Suzette

- **New Business**

- **\$3 Rule / Robert Herrera**

Robert explained the unfair inducement law all agents are required to follow. It is an unfair inducement if an agent offers an incentive valued at \$3 or more to attract someone to do business with him/her. Because of the many variables possible, each situation will be reviewed on a case by case basis.

- **Discuss Auditing 10% Minimum Requirement / Robert Herrera**

A panel consisting of Dominic Sanone, Wayne Carlos, Ryan Cooper and Gary Walton gave suggestions about how to regulate and audit the 10% minimum premium requirement. Robert said audits would be done on the financial records of those that finance a portion or the entire bond premium.

- Mike – Go after agencies financing bonds with no intention of collecting.
- Wayne – There will always be those you can't collect the entire premium on. It will take time to see trends and violations. We need to make sure everyone knows what the new law is. When violations are found action needs to be taken.
- Robert – It is a violation not to collect the premium.
- Tracy – The finance contract will give the time limit for collecting the premium.
- Gary – If an agency does not make an effort to collect then their intention to not collect is clear. An agency must obtain collateral on premium to be sure it will be paid. If an agency takes a personal check and it bounces then the agency is in violation. This is ridiculous.
- Ryan – Violators will have to be caught in the act. It won't be found by audits.
- Camille – Industry needs to regulate itself and make complaints. The association and board can audit.
- Camille – Threat of an audit will change behavior better than anything else.
- Wayne – The only way to collect on a bad debt is to get a judgment and attach property. Sending letters does not work.
- Mike, Gordon, Dominic – the penalty when caught has to be severe to stop violations.
- Perri – Each violation has a maximum penalty of \$2,500.
- Tracy – Agency disclosure forms must be filed with the department to show this and other changes made recently.
- Suzette would be willing to send out a bulletin about the penalties involved when there is a violation.
- **Duchene County Jail Requiring BB Agencies to Pay for Reader Board**
The department does not regulate this issue.
- **Other Business**
 - **Email Addresses and Twitter Account** / Suzette
 - The department recently sent a notice to licensees requiring their business email addresses and notification when they change.
 - The department sent a notice June 4 giving three ways to receive rule and bulletin notices. They are by signing up for twitter at <http://www.insurance.utah.gov/legalresources/rules.html>; by regularly checking the above site; and for those without internet access notice can still be mailed.
 - **Licensing Guidelines** / Tracy Klausmeier
Tracy noted that the bail bond agent license is the only one that does not require a test or other requirements before getting a license. She noted that she receives calls from applicants asking questions indicating they do not know the basic requirements of being in the business. Requirements and guidelines would have to be set legislatively.
 - **What are the Duties of a Bail Bond Producer?** / Robert Herrera
Robert asked for the duties of a bail bond producer. Brad J. said they delivered bonds. Robert asked how he would know who delivers the bond? Why would it be filled out in two different handwritings? Doesn't the bondsman filled it out and sign it?
 - **Superior Bail Bonds** / Gary Walton
How did they get relicensed? When you call them someone answers, "Bail bonds." Business is then done as American Bail Bonds, however they were put out of business five years ago. The department and the Board need check their financials. He would be glad to share the information he has accumulated.

- Robert said they met all of the financial requirements of the code. The department thoroughly reviewed Superior's assets and found all in order. If given proof of violation the department will open an investigation.
- Gary gave Suzette a phone number to call to see how they are operating.
- Dominic thought an agency was in violation of the code when they advertised under one phone number then answer under another name.
- **Liquidation Collections / Wayne**
Who collects when an agency is in liquidation?
- *Adjourned* 2:47pm, Gordon made a **motion** to adjourn and Brad seconded it.
- **Next Meeting:** July 14, 2010, **Spruces** Room of the East Building

2010 Meetings (Copper Room)

Aug 11	Sept 8	Jul 14 Spruces
Nov 10	Dec 8	Oct 13