

1 ENGROSSED SENATE  
2 BILL NO. 406

By: Crain of the Senate

3 and

4 Terrill of the House

5  
6  
7 [ professions and occupations - professional bondsman  
8 - effective date ]  
9

10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. AMENDATORY 59 O.S. 2001, Section 1306, as  
12 last amended by Section 1, Chapter 135, O.S.L. 2006 (59 O.S. Supp.  
13 2008, Section 1306), is amended to read as follows:

14 Section 1306. A. 1. An applicant for a cash bondsman license  
15 shall meet all requirements set forth in Section 1305 of this title  
16 with exception of residence.

17 2. In addition to the requirements prescribed in Section 1305  
18 of this title, an applicant for a professional bondsman license  
19 shall submit to the Insurance Commissioner financial statements  
20 prepared by an accounting firm or individual holding a permit to  
21 practice public accounting in this state in accordance with  
22 generally accepted principles of accounting procedures setting forth  
23 the total assets of the bondsman less liabilities and debts as  
24 follows: For all applications made prior to the effective date of

1 this act and the subsequent renewals of a license issued upon such  
2 application when continuously maintained in effect as required by  
3 law, the statement shall show a net worth of at least Fifty Thousand  
4 Dollars (\$50,000.00). For all applications made on and after the  
5 effective date of this act and the subsequent renewals of a license  
6 issued upon such application when continuously maintained in effect  
7 as required by law, or for the renewal or reinstatement of any  
8 license that is expired pursuant to subsection D of Section 1309 of  
9 this title, suspended or revoked, the statement shall show a net  
10 worth of at least One Hundred Fifty Thousand Dollars (\$150,000.00),  
11 said statements to be current as of a date not earlier than ninety  
12 (90) days prior to submission of the application and the statement  
13 shall be attested to by an unqualified opinion of the accountant.

14 3. Professional bondsman applicants shall make a deposit with  
15 the Insurance Commissioner in the same manner as required of  
16 domestic insurance companies of an amount to be determined by the  
17 Commissioner. For all applications made prior to the effective date  
18 of this act and the subsequent renewals of a license issued upon  
19 such application when continuously maintained in effect as required  
20 by law, the deposit shall not be less than Twenty Thousand Dollars  
21 (\$20,000.00). For all applications made on and after the effective  
22 date of this act and the subsequent renewals of a license issued  
23 upon such application when continuously maintained in effect as  
24 required by law, or for the renewal or reinstatement of any license

1 that is expired pursuant to subsection D of Section 1309 of this  
2 title, suspended or revoked, the deposit shall not be less than  
3 Fifty Thousand Dollars (\$50,000.00). Such deposits shall be subject  
4 to all laws, rules and regulations as deposits by domestic insurance  
5 companies but in no instance shall a professional bondsman write  
6 bonds which equal more than ten times the amount of the deposit  
7 which such bondsman has submitted to the Commissioner. In addition,  
8 a professional bondsman may make the deposit by purchasing an  
9 annuity through a licensed domestic insurance company in the State  
10 of Oklahoma. The annuity shall be in the name of the bondsman as  
11 owner with legal assignment to the Insurance Commissioner. The  
12 assignment form shall be approved by the Commissioner. If a  
13 bondsman exceeds the above limitation, the bondsman shall be  
14 notified by the Commissioner by mail with return receipt requested  
15 that the excess shall be reduced or the deposit increased within ten  
16 (10) days of notification, or the license of the bondsman shall be  
17 suspended immediately after the ten-day period, pending a hearing on  
18 the matter.

19 4. The deposit herein provided for shall constitute a reserve  
20 available to meet sums due on forfeiture of any bonds or  
21 recognizance executed by such bondsman.

22 5. Any deposit made by a professional bondsman pursuant to this  
23 section shall be released and returned by the Commissioner to the  
24 professional bondsman only upon extinguishment of all liability on

1 outstanding bonds. Provided, however, the Commissioner shall have  
2 the authority to review specific financial circumstances and history  
3 of a professional bondsman, on a case-by-case basis, and may release  
4 a portion of the deposit if warranted. The Commissioner may  
5 promulgate rules to effectuate the provisions of this paragraph.

6 6. No release of deposits to a professional bondsman shall be  
7 made by the Commissioner except upon written application and the  
8 written order of the Commissioner. The Commissioner shall have no  
9 liability for any such release to a professional bondsman provided  
10 the release was made in good faith.

11 B. The deposit provided in this section shall be held in  
12 safekeeping by the Insurance Commissioner and shall only be used if  
13 a bondsman fails to pay an order and judgment of forfeiture after  
14 being properly notified or shall be used if the license of a  
15 professional bondsman has been revoked. The deposit shall be held  
16 in the name of the Insurance Commissioner and the bondsman. The  
17 bondsman shall execute an assignment of the deposit to the Insurance  
18 Commissioner for the payment of unpaid bond forfeitures.

19 C. Currently licensed professional bondsmen may maintain their  
20 aggregate liability limits upon presentation of documented proof  
21 that they have previously been granted a limitation greater than the  
22 requirements of subsection A of this section.

23 D. Notwithstanding any other provision of Section 1301 et seq.  
24 of this title, the license of a professional bondsman is

1 transferable upon the death or legal or physical incapacitation of  
2 the bondsman to the bondsman's spouse, or to such other transferee  
3 as the professional bondsman may designate in writing, and the  
4 transferee may elect to act as a professional bondsman until the  
5 expiration of the license or for a period of one hundred eighty  
6 (180) days, whichever is greater, if the following conditions are  
7 met:

8 1. The transferee must hold a valid license as a surety  
9 bondsman in this state; and

10 2. The asset and deposit requirements set forth in this section  
11 continue to be met.

12 SECTION 2. This act shall become effective November 1, 2009.

13 Passed the Senate the 2nd day of March, 2009.

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Presiding Officer of the Senate

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17 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,

18 2009.

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Presiding Officer of the House  
of Representatives

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