

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 SENATE BILL 750

By: Ballenger

4  
5 AS INTRODUCED

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7 An Act relating to professions and occupations;  
8 amending 59 O.S. 2001, Section 1306, as last amended  
9 by Section 1, Chapter 135, O.S.L. 2006 (59 O.S. Supp.  
10 2008, Section 1306), which relates to professional  
11 bondsman; authorizing the Insurance Commissioner to  
12 review certain financial information; authorizing the  
13 release of a portion of certain deposit under certain  
14 circumstances; authorizing Commissioner to promulgate  
15 certain rules; and providing an effective date.

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

18 SECTION 1. AMENDATORY 59 O.S. 2001, Section 1306, as  
19 last amended by Section 1, Chapter 135, O.S.L. 2006 (59 O.S. Supp.  
20 2008, Section 1306), is amended to read as follows:

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

24 2. In addition to the requirements prescribed in Section 1305  
of this title, an applicant for a professional bondsman license  
shall submit to the Insurance Commissioner financial statements  
prepared by an accounting firm or individual holding a permit to

1 practice public accounting in this state in accordance with  
2 generally accepted principles of accounting procedures setting forth  
3 the total assets of the bondsman less liabilities and debts as  
4 follows: For all applications made prior to ~~the effective date of~~  
5 ~~this act~~ November 1, 2006 and the subsequent renewals of a license  
6 issued upon such application when continuously maintained in effect  
7 as required by law, the statement shall show a net worth of at least  
8 Fifty Thousand Dollars (\$50,000.00). For all applications made on  
9 and after ~~the effective date of this act~~ November 1, 2006 and the  
10 subsequent renewals of a license issued upon such application when  
11 continuously maintained in effect as required by law, or for the  
12 renewal or reinstatement of any license that is expired pursuant to  
13 subsection D of Section 1309 of this title, suspended or revoked,  
14 the statement shall show a net worth of at least One Hundred Fifty  
15 Thousand Dollars (\$150,000.00), said statements to be current as of  
16 a date not earlier than ninety (90) days prior to submission of the  
17 application and the statement shall be attested to by an unqualified  
18 opinion of the accountant.

19 3. Professional bondsman applicants shall make a deposit with  
20 the Insurance Commissioner in the same manner as required of  
21 domestic insurance companies of an amount to be determined by the  
22 Commissioner. For all applications made prior to ~~the effective date~~  
23 ~~of this act~~ November 1, 2006 and the subsequent renewals of a  
24 license issued upon such application when continuously maintained in

1 effect as required by law, the deposit shall not be less than Twenty  
2 Thousand Dollars (\$20,000.00). For all applications made on and  
3 after ~~the effective date of this act~~ November 1, 2006 and the  
4 subsequent renewals of a license issued upon such application when  
5 continuously maintained in effect as required by law, or for the  
6 renewal or reinstatement of any license that is expired pursuant to  
7 subsection D of Section 1309 of this title, suspended or revoked,  
8 the deposit shall not be less than Fifty Thousand Dollars  
9 (\$50,000.00). Such deposits shall be subject to all laws, rules and  
10 regulations as deposits by domestic insurance companies but in no  
11 instance shall a professional bondsman write bonds which equal more  
12 than ten times the amount of the deposit which such bondsman has  
13 submitted to the Commissioner. In addition, a professional bondsman  
14 may make the deposit by purchasing an annuity through a licensed  
15 domestic insurance company in the State of Oklahoma. The annuity  
16 shall be in the name of the bondsman as owner with legal assignment  
17 to the Insurance Commissioner. The assignment form shall be  
18 approved by the Commissioner. If a bondsman exceeds the above  
19 limitation, the bondsman shall be notified by the Commissioner by  
20 mail with return receipt requested that the excess shall be reduced  
21 or the deposit increased within ten (10) days of notification, or  
22 the license of the bondsman shall be suspended immediately after the  
23 ten-day period, pending a hearing on the matter.

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

4           5. Any deposit made by a professional bondsman pursuant to this  
5 section shall be released and returned by the Commissioner to the  
6 professional bondsman only upon extinguishment of all liability on  
7 outstanding bonds. Provided, however, the Commissioner shall have  
8 the authority to review specific financial circumstances and history  
9 of a professional bondsman, on a case-by-case basis, and may release  
10 a portion of the deposit if warranted. The Commissioner may  
11 promulgate rules to effectuate the provisions of this paragraph.

12           6. No release of deposits to a professional bondsman shall be  
13 made by the Commissioner except upon written application and the  
14 written order of the Commissioner. The Commissioner shall have no  
15 liability for any such release to a professional bondsman provided  
16 the release was made in good faith.

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

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

5 D. Notwithstanding any other provision of Section 1301 et seq.  
6 of this title, the license of a professional bondsman is  
7 transferable upon the death or legal or physical incapacitation of  
8 the bondsman to the bondsman's spouse, or to such other transferee  
9 as the professional bondsman may designate in writing, and the  
10 transferee may elect to act as a professional bondsman until the  
11 expiration of the license or for a period of one hundred eighty  
12 (180) days, whichever is greater, if the following conditions are  
13 met:

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

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

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

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