

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SENATE BILL 976

By: Allen

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5
6 AS INTRODUCED

7 An Act relating to multicounty agent bondsmen;
8 amending Section 3, Chapter 53, O.S.L. 2014, as
9 amended by Section 3, Chapter 110, O.S.L. 2015, and
10 as renumbered by Section 13, Chapter 110, O.S.L. 2015
11 (59 O.S. Supp. 2015, Section 1306.1), which relates
12 to multicounty agent bondsmen; requiring certain
13 actions on forfeitures within certain time; changing
14 certain ratio of deposits for certain failure to
15 comply; setting time period for certain change in
16 deposits; and providing an effective date.

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

18 SECTION 1. AMENDATORY Section 3, Chapter 53, O.S.L.
19 2014, as amended by Section 3, Chapter 110, O.S.L. 2015, and as
20 renumbered by Section 13, Chapter 110, O.S.L. 2015 (59 O.S. Supp.
21 2015, Section 1306.1), is amended to read as follows:

22 Section 1306.1. A. 1. An applicant for a multicounty agent
23 bondsman license shall have been continually licensed as a
24 professional bondsman in the State of Oklahoma for a minimum of two
(2) years immediately prior to the date of application.

2. In addition to the requirements prescribed in Sections 1305
and 1306 of this title, an applicant for a multicounty agent

1 bondsman license shall submit to the Insurance Commissioner an
2 annual audited financial statement prepared by an accounting firm or
3 individual holding a permit to practice public accounting in this
4 state in accordance with the Statements on Auditing Standards
5 promulgated by the Auditing Standards Board of the American
6 Institute of Certified Public Accountants setting forth the total
7 assets of the bondsman less liabilities and debts. For initial
8 applications and for subsequent renewals of the license, the
9 statement shall show a net worth of at least Two Hundred Fifty
10 Thousand Dollars (\$250,000.00). The statement shall be current as
11 of a date not earlier than ninety (90) days prior to submission of
12 the application and the statement shall be attested to by an
13 unqualified opinion of the accountant.

14 3. Multicounty agent bondsman applicants shall make a deposit
15 with the Insurance Commissioner in the same manner as required of
16 domestic insurance companies. The deposit shall not be less than
17 One Hundred Thousand Dollars (\$100,000.00). Provided however, any
18 and all deposits made pursuant to paragraph 3 of subsection A of
19 Section 1306 of this title shall count toward the fulfillment of any
20 deposit amount required by this section. The deposit shall be
21 subject to all laws, rules, and regulations as deposits by domestic
22 insurance companies but in no instance, except as provided herein,
23 shall a multicounty agent bondsman write bonds which equal more than
24 twelve times the amount of the deposit which the bondsman has

1 submitted to the Commissioner; provided however, any currently
2 licensed professional bondsman in good standing with the Department
3 and who, on the effective date of this act, meets the provisions of
4 the grandfather clause set forth in Section 1306 of this title and
5 who otherwise meets the requirements of this section shall be
6 afforded the same liability ratio as that of such grandfathered
7 professional bondsman. Such deposit shall require the review and
8 approval of the Insurance Commissioner prior to exceeding the
9 maximum amount of Federal Deposit Insurance Corporation basic
10 deposit coverage for any one bank or financial institution. In
11 addition, a multicounty agent bondsman may make the deposit by
12 purchasing an annuity through a licensed domestic insurance company
13 in the State of Oklahoma. The annuity shall be in the name of the
14 bondsman as owner with legal assignment to the Insurance
15 Commissioner. The assignment form shall be approved by the
16 Commissioner. If a bondsman exceeds the above limitation, the
17 bondsman shall be notified by the Commissioner that the excess shall
18 be reduced or the deposit increased within ten (10) days of
19 notification, or the license of the bondsman shall be suspended
20 immediately after the ten-day period, pending a hearing on the
21 matter.

22 All bail bond forfeitures of a multicounty agent bondsman shall
23 either be paid within ninety-one (91) days after receipt of the
24 Order and Judgment of Forfeiture, or vacated by the court within

1 ninety-one (91) days from the date of receipt of the Order and
2 Judgment of Forfeiture. If a multicounty agent bondsman fails to
3 comply with the requirement of this subparagraph more than three
4 times in a consecutive twelve-month period, the multicounty agent
5 bondsman's outstanding liability shall not exceed a ten-to-one
6 (10:1) ratio of outstanding liability-to-deposit. The Commissioner
7 shall provide written notification of this requirement via certified
8 mail, return receipt requested, to the multicounty agent bondsman's
9 address of record. The deposit amount required by this subparagraph
10 shall become effective thirty (30) days from the date notification
11 is received, and such deposit shall be required for a period of one
12 (1) year.

13 4. The deposit provided for in this section shall constitute a
14 reserve available to meet sums due on forfeiture of any bonds or
15 recognizance executed by the bondsman.

16 5. Any deposit made by a multicounty agent bondsman pursuant to
17 this section shall be released and returned by the Commissioner to
18 the multicounty agent bondsman only upon extinguishment of all
19 liability on outstanding bonds. Provided, however, the Commissioner
20 shall have the authority to review specific financial circumstances
21 and history of a multicounty agent bondsman, on a case-by-case
22 basis, and may release a portion of the deposit if warranted. The
23 Commissioner may promulgate rules to effectuate the provisions of
24 this paragraph.

1 6. No release of deposits to a multicounty agent bondsman shall
2 be made by the Commissioner except upon written application and the
3 written order of the Commissioner. The Commissioner shall have no
4 liability for any such release to a multicounty agent bondsman
5 provided the release was made in good faith.

6 B. The deposit provided in this section shall be held in
7 safekeeping by the Insurance Commissioner and shall only be used if
8 a bondsman fails to pay an order and judgment of forfeiture after
9 being properly notified or shall be used if the license of a
10 multicounty agent bondsman has been revoked. The deposit shall be
11 held in the name of the Insurance Commissioner and the bondsman.
12 The bondsman shall execute an assignment or pledge of the deposit to
13 the Insurance Commissioner for the payment of unpaid bond
14 forfeitures.

15 C. Notwithstanding any other provision of Sections 1301 through
16 1340 of this title, the license of a multicounty agent bondsman is
17 transferable upon the death or legal or physical incapacitation of
18 the bondsman to the spouse of the bondsman or to such other
19 transferee as the multicounty agent bondsman may designate in
20 writing, and the transferee may elect to act as a multicounty agent
21 bondsman for a period of one hundred eighty (180) days if the
22 following conditions are met:

23 1. The transferee shall hold a valid license as a surety
24 bondsman in this state; and

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

3 At the end of the one-hundred-eighty-day period, the transferee
4 shall be allowed to apply for a license as a multicounty agent
5 bondsman, provided he or she has been continually licensed as a
6 surety bondsman for at least five (5) years immediately prior to the
7 date of application, notwithstanding the requirements of paragraph 1
8 of subsection A of this section.

9 D. A multicounty agent bondsman may appoint by power of
10 attorney a licensed surety bondsman as his or her agent to execute
11 bail bonds within any county in the State of Oklahoma. The number
12 of bail bonds a multicounty agent bondsman may insure in counties
13 other than the county he or she registers his or her license,
14 pursuant to subsection A of Section 1320 of this title, shall not be
15 limited by subsection B of Section 1320 of this title.

16 SECTION 2. This act shall become effective November 1, 2016.

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