

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED

5 SENATE BILL NO. 406

By: Crain of the Senate

and

Terrill of the House

6  
7  
8  
9 COMMITTEE SUBSTITUTE

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

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

20 SECTION 1. AMENDATORY 59 O.S. 2001, Section 1306, as  
21 last amended by Section 1, Chapter 135, O.S.L. 2006 (59 O.S. Supp.  
22 2008, Section 1306), is amended to read as follows:

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

1           2. In addition to the requirements prescribed in Section 1305  
2 of this title, an applicant for a professional bondsman license  
3 shall submit to the Insurance Commissioner financial statements  
4 prepared by an accounting firm or individual holding a permit to  
5 practice public accounting in this state in accordance with  
6 generally accepted principles of accounting procedures setting forth  
7 the total assets of the bondsman less liabilities and debts as  
8 follows: For all applications made prior to the effective date of  
9 this act and the subsequent renewals of a license issued upon such  
10 application when continuously maintained in effect as required by  
11 law, the statement shall show a net worth of at least Fifty Thousand  
12 Dollars (\$50,000.00). For all applications made on and after the  
13 effective date of this act and the subsequent renewals of a license  
14 issued upon such application when continuously maintained in effect  
15 as required by law, or for the renewal or reinstatement of any  
16 license that is expired pursuant to subsection D of Section 1309 of  
17 this title, suspended or revoked, the statement shall show a net  
18 worth of at least One Hundred Fifty Thousand Dollars (\$150,000.00),  
19 said statements to be current as of a date not earlier than ninety  
20 (90) days prior to submission of the application and the statement  
21 shall be attested to by an unqualified opinion of the accountant.

22           3. Professional bondsman applicants shall make a deposit with  
23 the Insurance Commissioner in the same manner as required of  
24 domestic insurance companies of an amount to be determined by the

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

1 | suspended immediately after the ten-day period, pending a hearing on  
2 | the matter.

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

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

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

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

1 bondsman shall execute an assignment of the deposit to the Insurance  
2 Commissioner for the payment of unpaid bond forfeitures.

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

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

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

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

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

21

22 52-1-7383 SD 03/18/09

23

24