
HOUSE BILL No. 1036

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-10-3.

Synopsis: Bail agent and recovery agent licensing. Establishes procedures for the reinstatement of an expired bail agent or recovery agent license. Requires an applicant for a bail agent license to complete 16 hours of instruction in courses that pertain to the duties and responsibilities of bail agents or recovery agents before the applicant may receive a license. Establishes continuing education requirements for the renewal of a bail agent or recovery agent license. Establishes procedures for persons that wish to conduct bail agent or recovery agent courses of instruction or continuing education courses. Establishes procedures and requirements concerning the appointment of surety bail agents by insurers.

Effective: July 1, 2004.

Frizzell

January 13, 2004, read first time and referred to Committee on Insurance, Corporations and Small Business.

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Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

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HOUSE BILL No. 1036



A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-10-3-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) All licenses
3 issued expire two (2) years after the end of the month of issue based on
4 the schedule set forth in subsection (b) unless the licensee is on
5 probation or the licensee's license was revoked or suspended before
6 that date by the commissioner or upon notice served upon the
7 commissioner that the insurer or employer of any recovery agent has
8 canceled the licensee's authority to act for the insurer or employer.

9 (b) A license must be renewed under this article according to the
10 following schedule:

11 (1) A licensee whose last name commences with the letters A
12 through H shall renew a license before the last day of August
13 every other calendar year beginning August 1993.

14 (2) A licensee whose last name commences with the letters I
15 through R shall renew a license before the last day of September
16 every other calendar year beginning September 1993.

17 (3) A licensee whose last name commences with the letters S



1 through Z shall renew a license before the last day of October
2 every other calendar year beginning October 1993.

3 (c) A licensee who is issued a new license with not more than one
4 (1) year remaining shall pay fifty percent (50%) of the fee set forth in
5 section 4 of this chapter.

6 **(d) A licensee whose license has expired may have the license**
7 **reinstated if:**

8 **(1) the licensee applies for reinstatement not more than ninety**
9 **(90) days after the date the license expired;**

10 **(2) the licensee:**

11 **(A) is not on probation; and**

12 **(B) has not previously been denied a license;**

13 **(3) the license was not revoked or suspended when the license**
14 **expired;**

15 **(4) the licensee pays:**

16 **(A) a pro rata part of the license fee required under section**
17 **7 of this chapter based on the appropriate renewal**
18 **schedule for the licensee as described in subsection (b); and**

19 **(B) to the commissioner, a license reinstatement fee of two**
20 **hundred dollars (\$200); and**

21 **(5) the licensee meets all other appropriate qualifications and**
22 **criteria.**

23 SECTION 2. IC 27-10-3-3, AS AMENDED BY P.L.178-2003,
24 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2004]: Sec. 3. (a) The application for license, in addition to
26 the matters set out in section 1 of this chapter, to serve as a bail agent
27 must affirmatively show that:

28 (1) the applicant is at least eighteen (18) years of age and is of
29 good moral character;

30 (2) the applicant has never been convicted of a disqualifying
31 offense, notwithstanding IC 25-1-1.1, or:

32 (A) in the case of a felony conviction, at least ten (10) years
33 have passed since the date of the applicant's conviction or
34 release from imprisonment, parole, or probation, whichever is
35 later; or

36 (B) in the case of a misdemeanor disqualifying offense, at least
37 five (5) years have passed since the date of the applicant's
38 conviction or release from imprisonment, parole, or probation,
39 whichever is later; ~~and~~

40 (3) the applicant has knowledge ~~or~~ experience ~~or~~ instruction in
41 the bail bond business, or has held a valid all lines fire and
42 casualty insurance producer's license for one (1) year within the

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1 last five (5) years, or has been employed by a company engaged
 2 in writing bail bonds in which field the applicant has actively
 3 engaged for at least one (1) year of the last five (5) years; **and**
 4 **(4) the applicant has completed at least sixteen (16) hours of**
 5 **instruction in courses approved by the commissioner that**
 6 **pertain to the duties and responsibilities of bail agents or**
 7 **recovery agents, including instruction in the laws that relate**
 8 **to the conduct of bail agents and recovery agents.**

9 (b) The application must affirmatively show that the applicant has
 10 been a bona fide resident of Indiana for one (1) year immediately
 11 preceding the date of application. However, the commissioner may
 12 waive this requirement.

13 SECTION 3. IC 27-10-3-7 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. (a) A renewal license
 15 shall be issued by the commissioner to a licensee who:

16 (1) has continuously maintained a license in effect; ~~without~~
 17 ~~further examination; unless deemed necessary by the~~
 18 ~~commissioner; upon the payment of~~

19 (2) **pays** a renewal fee of:

20 (A) six hundred fifty dollars (\$650) for bail agents; and

21 (B) three hundred dollars (\$300) for recovery agents; ~~if the~~
 22 ~~licensee~~

23 (3) **has fulfilled the continuing education requirement**
 24 **described in subsection (b); and**

25 (4) has in all other respects complied with and been subject to this
 26 article.

27 **The commissioner may also require a licensee to take an**
 28 **examination before the commissioner issues a renewal license to**
 29 **the licensee.**

30 (b) **A licensee who wishes to renew a bail agent's or recovery**
 31 **agent's license must complete at least eight (8) hours of continuing**
 32 **education courses approved by the commissioner that pertain to**
 33 **the duties and responsibilities of a bail agent or recovery agent,**
 34 **including instruction in the laws that relate to the conduct of bail**
 35 **agents and recovery agents, during each license period. A course**
 36 **used to fulfill continuing education requirements for licensed**
 37 **insurance producers under IC 27-1-15.7 may not be used to satisfy**
 38 **continuing education requirements under this section.**

39 (c) After the receipt of the licensee's application for renewal, the
 40 current license continues in effect until the renewal license is issued or
 41 denied for cause.

42 SECTION 4. IC 27-10-3-7.1 IS ADDED TO THE INDIANA CODE

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1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2004]: **Sec. 7.1. (a) A person that wishes to offer courses of
3 instruction that are needed to obtain or renew a bail agent's or
4 recovery agent's license as required under sections 3(a)(4) and
5 7(a)(3) of this chapter must:**

- 6 (1) **be a professional organization that has an interest in the**
- 7 **work of bail agents and recovery agents;**
- 8 (2) **obtain approval of the courses and instructors from the**
- 9 **commissioner before conducting the courses;**
- 10 (3) **pay an annual fee of five hundred dollars (\$500) to the**
- 11 **commissioner; and**
- 12 (4) **comply with any other requirements established by the**
- 13 **commissioner.**

14 (b) **A professional organization that conducts courses of**
15 **instruction approved by the commissioner under subsection (a)**
16 **may charge individuals who attend the courses a reasonable fee.**
17 **The professional organization may charge a reduced fee for**
18 **members of the professional organization who attend the courses.**

19 (c) **Fees paid to the commissioner under subsection (a)(3) shall**
20 **be:**

- 21 (1) **deposited in the bail bond enforcement and administration**
- 22 **fund established under IC 27-10-5-1; and**
- 23 (2) **used to implement this section.**

24 SECTION 5. IC 27-10-3-11 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 11. (a) An insurer who**
26 **appoints a surety bail agent in Indiana shall give notice of the**
27 **appointment to the commissioner along with:**

- 28 (1) **a written application for license for the bail agent; and**
- 29 (2) **the appointee's signed affidavit required under subsection**
- 30 **(b).**

31 All appointments are subject to the issuance of a license to the surety
32 bail agent.

- 33 (b) **The insurer shall submit to the commissioner an affidavit:**
- 34 (1) **on a form prescribed by the commissioner;**
- 35 (2) **signed by the appointee;**
- 36 (3) **that states that the appointee does not owe premiums to an**
- 37 **insurer or an agent or agency that the appointee reports to on**
- 38 **behalf of the insurer; and**
- 39 (4) **that includes the names and addresses of all the former**
- 40 **insurers of the appointee.**

41 **The commissioner shall provide copies of the appointee's written**
42 **application and signed affidavit to all the former insurers of the**

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appointee.

(c) A former insurer of an appointee may file:

- (1) a notice with the commissioner; and**
- (2) copies of the notice with:**

- (A) the insurer that made the appointment under subsection (a); and**
- (B) the appointee;**

stating that the appointee owes the former insurer premiums on the bonds the appointee has written. If an insurer that made an appointment under subsection (a) receives a notice under this subsection, the insurer shall immediately terminate the appointment. If an appointment is terminated under this subsection, the proposed appointee may be reappointed under subsection (a) only if the former insurer certifies that all premiums on bonds written by the appointee have been paid. Not more than ten (10) days after the date an appointing insurer or appointee receives a notice under this subsection, the appointing insurer or appointee may file a petition with the commissioner seeking relief that states the grounds for relief and the relief sought. If a petition seeking relief is filed under this subsection, the duty of the appointing insurer to terminate the appointment is stayed until the commissioner conducts a hearing and grants or denies the petition.

(d) An insurer that terminates the appointment of a surety bail agent shall file written notice of the termination with the commissioner together with a statement that the insurer has given or mailed notice to the surety bail agent. The notice filed with the commissioner must state the reasons, if any, for the termination. Information furnished to the commissioner is confidential and may not be used as evidence in or a basis for any action against the insurer or any of the insurer's representatives.

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