

**TITLE 365. INSURANCE DEPARTMENT**  
**CHAPTER 25. LICENSURE OF PRODUCERS, ADJUSTERS, BAIL BONDSMEN,**  
**COMPANIES, PREPAID FUNERAL BENEFITS, CEMETERY MERCHANDISE**  
**TRUSTS, AND VIATICAL SETTLEMENT PROVIDERS AND BROKERS**

**RULEMAKING ACTION:**

PERMANENT final adoption

**RULES:**

Subchapter 5.	Bail Bondsmen
Part 1.	Continuing Education for Bail Bondsmen
365:25-5-3.	Education requirements [AMENDED]
365:25-5-4.	Application for course approval [AMENDED]
365:25-5-5.	Approval or denial of course; certificate of completion
[AMENDED]	
365:25-5-6.	Proof of completion; video courses [AMENDED]
365:25-5-8.	Extensions of time [AMENDED]
Part 5.	General Provisions Pertaining to Bail <u>Bondsmen</u>
365:25-5-35.	Bondsman license renewal [AMENDED]
365:25-5-38.	Ten defendant limit [AMENDED]
365:25-5-41.	Special deposit [AMENDED]
365:25-5-47.	Financial statement required [NEW]
Part7.	Specific Financial Circumstances Warranting Release of
Professional Deposit	
365:25-5-51.	Specific financial circumstances enumerated [AMENDED]

**AUTHORITY:**

Insurance Commissioner, 59 O.S. § 1302(A)

**DATES:**

**Comment period:**

February 1, 2013 through March 4, 2013

**Public hearing:**

March 7, 2013

**Adoption:**

March 25, 2013

**Submitted to Governor:**

March 25, 2013

**Submitted to House of Representatives:**

March 25, 2013

**Submitted to Senate:**

March 25, 2013

**Gubernatorial approval:**

May 7, 2013

**Legislative approval:**

The rules were approved by the Legislature in House Joint Resolution 1058, signed by the Governor on May 24, 2013.

**Final adoption:**

May 24, 2013

**Effective:**

July 14, 2013

**SUPERSEDED EMERGENCY ACTIONS:**

n/a

**INCORPORATIONS BY REFERENCE:**

n/a

**ANALYSIS:**

The amendment to 365:25-5-3 clarifies that prelicensing education credit is valid for one year from the date obtained. The amendment to 365:25-5-4 sets an expiration timeframe for the material presented in bail bondsman continuing education (CE) courses and the language is taken from the producer licensing rules. The amendment to 365:25-5-5 removes the requirement that bondsmen turn in an education verification form to the Insurance Commissioner. The amendment to 365:25-5-8 updates the rule to conform to the change from a one-year license period to a two-year license period.

The amendment to 365:25-5-35 removes an unnecessary “reinstatement fee,” updates the language to conform to the changes made in 2011 to 59 O.S. § 1309(B) and (C), which changes the due date for financial statements and property documents from the bondsman’s birth month to September 30, and conforms the language to the current Insurance Department practice of allowing bondsmen to print their license certificate online rather than sending the certificate in the mail. The amendment to 365:25-5-38 changes the “year” from October 1 through September 30 to January 1 through December 31. The amendment to 365:25-4-41 sets out a \$300,000 special deposit requirement for insurers writing only bail bonds, which conforms to the current policy and practice of the Insurance Department. The amendment also cleans up the language of the rule to make it easier to understand. The addition of 365:25-5-47 requires an individual who is transferred a professional bail bondsman license pursuant to 59 O.S. § 1306(D) to submit a financial statement to the Insurance Department.

The amendment to 365:25-5-51 sets out that a professional bondsman whose license has been suspended or revoked cannot apply for a partial return of their deposit.

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**PURSUANT TO THE ACTIONS DESCRIBED HEREIN, THE FOLLOWING RULES ARE CONSIDERED FINALLY ADOPTED AS SET FORTH IN 75 O.S., SECTION 308.1(A), WITH AN EFFECTIVE DATE OF JULY 14, 2013:**

**SUBCHAPTER 5. BAIL BONDSMEN  
PART 1. CONTINUING EDUCATION FOR BAIL BONDSMEN**

**365:25-5-3. Education requirements**

(a) **Education verification prior to licensure.** Prior to taking the bail bondsman licensing examination, the applicant shall successfully complete the hours of prelicensing education required by 59 O.S. §1308.1(A) in subjects pertinent to the duties and responsibilities of a bail bondsman. The prelicensing education shall be valid for one (1) year from the date obtained by the applicant.

(b) **Continuing education.** All bail bondsmen shall complete eight (8) credit hours of continuing education required by 59 O. S. §1308.1(A) annually to meet the biennial requirement.

(c) **CE credit for instructor.** An instructor who is a licensed bail bondsman shall receive the same continuing education credit for presenting approved course materials as a licensee who attends an approved classroom instructional session.

#### **365:25-5-4. Application for course approval**

(a) **Oklahoma Bondsman Association courses.** The Oklahoma Bondsman Association shall apply for course approval from the Commissioner. The Association shall annually submit a fee of One Hundred Dollars (\$100.00) to the Insurance Commissioner.

(b) **Information regarding OBA courses.** The Oklahoma Bondsman Association shall submit the following information concerning educational courses:

- (1) Name, address and qualifications of the instructor;
- (2) Contact person, his or her address and telephone number;
- (3) The location of the courses or programs, unless it is an individual study or correspondence course;
- (4) The number of hours requested for each course;
- (5) Topic outlines which list the summarized topics covered in each course and upon request, a copy of any course materials. If a prior approved course has substantially changed, a summarization of those changes.

(c) **Instructor qualifications.** An instructor shall have one of the following qualifications:

- (1) Three (3) years of recent experience in the subject area being taught; or
- (2) A degree related to the subject area being taught; or
- (3) Two (2) years of recent experience in the subject area being taught and twelve (12) hours of college and/or vocational technical school credit hours in the subject area being taught.

(d) **Losing course approval.** The Commissioner may withhold or withdraw approval of any instructor or course for violation of or non-compliance with any provision of this section.

(e) **Course approval expiration.** Each course approval shall be valid for a period of not more than two (2) years, unless the course has a material change. Material changes to courses require course resubmission for overall course review and approval. Course approval following the review of material changes shall reset the validity period. At the expiration of the validity period, providers shall submit the course for approval by the Commissioner if the provider wants to continue to offer the course for continuing education credit.

#### **365:25-5-5. Approval or denial of course; certificate of completion**

(a) **Approval required 30 days in advance.** At least thirty (30) days in advance of the presentation of any course, the Association shall apply to the Commissioner for course approval. The Commissioner shall grant or deny approval based upon information submitted in 365:25-5-4 regarding each course or additional information regarding the course, if necessary. The Commissioner will assign the number of hours awarded for an approved course.

(b) **Written approval required.** All courses shall require written approval.

(c) **Approval withheld or withdrawn.** The Commissioner may withhold or withdraw approval for any course approval. This withdrawal will not affect any hours attained under the course.

(d) **Minimum one credit hour per course.** Courses submitted for approval must consist of a minimum of one credit hour of course instruction.

(e) **CEC separate component of meetings.** Courses conducted in conjunction with other meetings must have a separate continuing education course component.

(f) **Certificate of Course Completion.** At the completion of each course, whether continuing education or prelicensing, the Association shall provide the bondsman with a "Certificate of Course Completion" form, which shall contain the verification of the Association that the bondsman completed the course so certified. ~~Such bondsman shall then complete the education verification form and furnish it and a copy of the certificate of course completion to the Commissioner at the time of applying for licensing or for renewal of license as appropriate.~~

(g) **OBA supplies Commissioner with list of bondsmen completing course.** At the completion of each course, the Association shall provide to the Commissioner a list of all bondsmen who completed the course.

(h) **OBA records maintained 4 years.** The Association shall maintain course records for at least four (4) years.

### **365:25-5-6. Proof of completion; video courses**

(a) **Correspondence courses.** A bail bondsman who satisfactorily completes an approved course by correspondence and provides proof of satisfactory completion, as specified by the Commissioner, will receive credit for the number of hours assigned by the Commissioner for completion of the course.

(b) **Video courses.** In order for a bail bondsman to receive credit for viewing an approved course presented by ~~video cassette~~electronic recording, the bondsman must view the ~~video cassette~~electronic recording under the supervision of an approved instructor, or under the supervision of an individual approved by the Oklahoma Bondsman Association, and swear by affidavit he has viewed the ~~video cassette~~electronic recording in its entirety. The affidavit must be submitted to the Association.

### **365:25-5-8. Extensions of time**

For good cause shown, the Commissioner may grant an extension of time during which the requirements imposed by 59 O.S. Section 1308 and 1308.1 may be completed. The extension shall not exceed six (6) months. The extension will not alter the requirements or due date of the succeeding year. "Good cause" includes disability, natural disaster, or other extenuating circumstances. Each request for extension of time shall be in writing from the licensee and shall include details and any documentation to support the request. Each request must be received by the Commissioner no less than thirty (30) days before the expiration of the ~~one year period~~license.

## **PART 5. GENERAL PROVISIONS PERTAINING TO BAIL BONDSMEN**

### **365:25-5-35. Bondsman license renewal**

(a) Pursuant to 59 O.S. § 1309, bondsmen are required to renew their licenses biennially. Requirements for a complete renewal filing for a bondsman shall be submitted by the last day of the bondsman's birth month and must include ~~each of the following:~~ a Two Hundred Dollar (\$200.00) renewal fee.

~~(1) A Two Hundred Dollar (\$200.00) renewal fee, and~~

~~(2) For professional bondsmen, a financial statement prepared in accordance with 59 O.S. § 1309(B).~~

~~(3) In case of renewal of a property bondsman license, the application shall also provide a county assessor's written statement stating the property's assessed value for each property used to post bonds and a written statement from any lien holder stating the current payoff amount on each lien for each property used to post bonds.~~

~~(b) Renewal filings or partial renewal filings submitted after the renewal date will be assessed a Two Hundred Dollar (\$200.00) reinstatement fee in addition to the usual Two Hundred Dollar (\$200.00) renewal fee.~~

~~(e)(b)~~ Failure to complete the renewal process by the last day of the bondsman's birth month will result in an automatic expiration of the license. After the expiration, the license may be reinstated for up to one (1) year following the expiration date. If after the one (1) year date, the license has not been renewed, then the licensee shall be required to apply for a license as a new applicant.

~~(d)(c)~~ All licenses of bail bondsmen shall expire on the last day of the bondsman's birth month unless the Commissioner receives a complete renewal filing. A complete renewal filing consists of all necessary items required by paragraph (a) of this section as well as any other items required by the Commissioner.

~~(e)(d)~~ If the license has not been renewed by the expiration date, a bail bondsman shall not be authorized to continue acting as a bail bondsman.

~~(f) The Commissioner shall mail all renewal licenses to the bondsman's address of record.~~

### **365:25-5-38. Ten defendant limit**

Pursuant to 59 O.S. §1320, a bondsman is authorized to write bonds on up to ten defendants per year, ~~October 1 through September 30~~ January 1 through December 31, in each county outside his resident county. For purposes of determining the ten defendants, the bondsman shall consider each date a bond or bonds are written on a defendant as being one of the ten defendants, notwithstanding any previous bonds which have been written on that same individual. The ten defendant limit does not apply in counties without a registered bondsman in said county.

### **365:25-5-41. Special deposit**

(a) In addition to the cash or securities deposited in trust with the State Treasurer through the Insurance Commissioner's office pursuant to 36 O.S. § 613, insurers writing bail bonds in this state shall deposit in trust additional cash or securities equaling at least Three Hundred Thousand Dollars (\$300,000.00), and insurers writing bail bonds in this state shall not exceed a twenty-to-one (20:1) ratio of outstanding liability-to-special deposit.

(b) An insurer shall comply with the following requirements to maintain the special deposit described in Subsection (a):

(1) The insurer's monthly report of outstanding liability shall be within ten percent (10%) of the outstanding liability reported by all the insurer's appointed surety bondsmen for that month.

(2) All bail bond forfeitures shall either be paid within 91 days after receipt of the Order and Judgment of Forfeiture or vacated by the court within 91 days from the date of receipt of the Order and Judgment of Forfeiture pursuant to Section 365:25-5-40.

(c) If the insurer fails to comply with either requirement of paragraph (b) more than three (3) times in a consecutive twelve (12) month period, the insurer's ~~special deposit shall equal at least~~

outstanding liability shall not exceed a ten-to-one (10:1) ratio of outstanding liability-to-special deposit. The Insurance Commissioner shall provide written notification of this requirement via certified mail, return receipt requested, to the insurer's address of record. The special deposit required by this paragraph shall become effective thirty (30) days from the date notification is received.

(d) If an insurer is authorized to write only bail bonds, ~~the~~any cash or securities deposited in trust with the State Treasurer through the Insurance Commissioner's office pursuant to 36 O.S. § 613 in excess of the minimum amount required by Section 613 shall apply towards the special deposit required by this section.

**365:25-5-47. Financial statement required**

If the license of a professional bondsman is transferred pursuant to 59 O.S. § 1306(D), the transferee shall submit a financial statement to the Department within 180 days after the date of the transfer.

**PART 7. SPECIFIC FINANCIAL CIRCUMSTANCES WARRANTING RELEASE OF PROFESSIONAL DEPOSIT**

**365:25-5-51. Specific financial circumstances enumerated**

(a) For purposes of Section 1306(A)(5) of Title 59 of the laws of this state, the specific financial circumstances warranting release of a professional deposit are:

- (1) Fire that damages or destroys either the office or residence of the bondsman;
- (2) Flood that damages or destroys either the office or residence of the bondsman;
- (3) Other natural disaster that damages or destroys either office or residence of the bondsman;
- (4) Medical problem or illness sustained by either the bondsman or a member of the immediate family of the bondsman.
- (5) The bondsman has unused bail writing capacity of at least forty percent (40%) of their liability limit, and has at least twelve (12) consecutive months of being at sixty percent (60%) or below this writing limit.

(b) The bondsman shall have the burden of showing the Commissioner by clear and convincing evidence the existence or occurrence of the circumstances, as well as providing to the Commissioner any necessary supporting documentation or other evidence the Commissioner requires.

(c) A bondsman whose license is suspended or has been revoked shall not be allowed to apply for a partial return of a deposit.