

Bill Summary

<u>COMMITTEE:</u>	Banking and Insurance	<u>DATE:</u>	2/2/15
<u>PRIME SPONSOR:</u>	Alloway	<u>BILL NO:</u>	SB 397
<u>PREPARED BY:</u>	Carlton Logue	<u>PRINTER'S NO:</u>	270

A. Synopsis:

Amends Title 42 (Judiciary and Judicial Procedure) to provide further regulation of the bail bondsman industry in Pennsylvania

B. Summary:

Two types of bail bondsmen currently operate in Pennsylvania, “professional” or “property” bondsmen and “surety” bondsmen. Professional bondsmen issue bonds using their own assets as collateral. Surety bondsmen, however, are licensed insurance producers that issue bonds on behalf of a licensed surety company. These two entities are currently licensed separately.

SB 1441 would streamline and modernize the licensing of bail bondsmen by discontinuing separate licensure for professional and surety bondsmen. The bill requires every bondsman to be licensed as an insurance producer with a casualty line of authority and to issue bonds only under a power of authority granted by a qualified insurance company that has satisfied the minimum capital and surplus requirement necessary for licensure. Licensure will also require all bail bondsmen to pass an approved 24 credit hour pre-examination course; be subjected to fingerprinting by the Pennsylvania Insurance Department; pass a licensing examination; complete 24 credit hours of continuing education for each two-year license period; adhere to Pennsylvania Insurance Department approved premium rates; and requires bondsmen to maintain an office in the Commonwealth to provide consumer protection.

This bill strengthens the tools and resources of county officials to enforce and collect unpaid bail forfeitures. It also permits law enforcement personnel to assist bail bondsmen in fugitive recovery provided it is done on their own time, they are separately compensated, and they are neither “in uniform” nor show their badge when engaging in this activity.

It allows the District Attorney and County Solicitor the power to file a motion to non-renew or suspend a bail bondsmen license for failure of the bondsmen to pay bail or follow other aspects of the law.

The bill provides immunity to the Pennsylvania Insurance Department, the Courts, District Attorneys, and County Solicitors for following the provisions of the law. This is similar to the immunity provisions found in other PA laws.

It also provides a grandfathering provision that asserts a professional bondsman licensed prior to the effective date of this act shall be licensed as an insurance producer in accordance with the Insurance Department Act of 1921.

Effective Date: 120 Days