

## **NCBAA**

### ***Commissioner's Column***

***December 2007***

#### **Legislative Changes for Bail Bond Licensees**

As the end of the year swiftly approaches and the new year of 2008 looms ahead, it seems appropriate to take a moment to review all the legislative changes passed by the General Assembly this year that impact bail bond licensees. These changes include reasons for surrender of the defendant without returning premium, the definitions in Article 71 of Chapter 58, monthly reports of outstanding bail bond obligations and a new administrative fee. A memorandum was sent to all bail bond licensees and surety insurance companies by the Agent Services Division on September 10, 2007, regarding these legislative changes.

North Carolina General Statute 58-71-20 provides a number of actions by the defendant that would allow bail bondsmen to surrender a defendant, before there had been a breach in the undertaking of bail, without return of the bail bond premium. Effective August 21, 2007, Senate Bill 1327 added to this statute two more actions of the defendant:

- Failure to disclose information or providing false information regarding any failure to appear in court, any previous felony convictions within the past ten years, or any charges pending in any State or Federal court.
- Knowingly providing the surety with incorrect personal identification, or using a false name or alias.

Qualifications for licensure as a bail bondsman or runner are listed in North Carolina General Statute 58-71-50 and include that the applicant must be a resident of North Carolina. Effective October 1, 2007, Senate Bill 881 defines "resident" as a person who lives in this State for at least six consecutive months immediately before applying for a license as a bail bondsmen or a runner. The Agent Services Division has made available a new bail bond application which requires the bail bond applicant to provide two documents which establish that this residency requirement has been met. In addition, all applicants must also hold a valid and current North Carolina driver's license or a valid North Carolina identification card issued by the Division of Motor Vehicles.

Pursuant to North Carolina General Statute 58-71-165, each professional and surety bail bondsmen are required to file a monthly report listing all their outstanding liability for the month by the 15<sup>th</sup> of the following month. Effective January 1, 2008, Senate Bill 1527 eliminates the requirement for surety bondsmen to file this monthly report and adds a requirement for surety insurance companies to file a quarterly report listing the aggregate amount of outstanding liability for the company. The Financial Services Division has sent a communication to all surety insurance companies regarding this new requirement. The Agent Services Division will continue to receive the required monthly report from all professional bondsmen.

All licensees are required by North Carolina General Statute 58-2-69(b) to provide the Agent Services Division with written notification of their new residence address within ten (10) days of a change in address. This is a critical requirement as failure to provide the Department with a correct address leads to difficulties in sending licensees important information concerning their license(s) or receiving timely responses to consumer complaints. Effective January 1, 2008, licensees may be assessed a \$50.00 administrative fee for failing to provide timely notification to the Agent Services Division

of their residence address change. In order to further assist licensees in meeting this requirement, the Agent Services Division will be sending information on how licensees will be able to electronically view their address of record and make address changes themselves.

All these ratified bills can be accessed via the North Carolina General Assembly website (<http://www.ncga.state.nc.us/>). The Agent Services Division has provided new Frequently Asked Questions for Bail Bondsmen on our Department's website at [www.ncdoi.com](http://www.ncdoi.com). For any additional questions, the Agent Services Division may be reached at (919) 807-6800.

On behalf of the Department, I wish each and every one of you a safe and prosperous New Year.

Ask NCBAAs to do a text box in newsletter somewhere and put this information:

### **IMPORTANT INFORMATION REGARDING YOUR LICENSE**

The Agent Services Division is changing their licensing database to a State Based System (SBS) that is maintained by the National Association of Insurance Commissioners (NAIC). This system utilizes the National Insurance Producer Registry (NIPR) and all bail bond licensees will be assigned a National Producer Number (NPN). This NPN number will be used to identify a licensee in lieu of their social security number. Additionally, permit numbers will no longer be used to identify each individual license as all licenses will be listed under this NPN. The Agent Services Division will send a letter to each licensee and provide them with their NPN number and update the Electronic Bondsmen Registry.