QUESTIONS AND ANSWERS
IMPLEMENTATION OF HB12-1266
For
Insurance producers with casualty authority

EFFECTIVE JULY 1, 2012

Q. What is the effective date of HB12 -1266

A. July 1, 2012.

Q. What happens to Article 7 of Title 12?

A. Article 7 of Title 12 will be repealed in its entirety effective July 1, 2012.

Q. How will bail bonding agents be licensed and regulated?

A. Bail bonding agents with surety authority will be licensed and regulated as insurance producers with the casualty line of authority.

TIME LINES, LICENSE CONVERSION, NUMBERING, ISSUANCE, APPOINTMENTS AND PENDING APPLICATIONS

Q. What is the last date for taking a bail bonding agent examination?

A. No bail bonding examinations will be administered after June 2, 2012.

Q. What is the last date that I can submit a new or reinstatement application for a bail bonding agent license?

A. The Division will not accept any new or reinstatement applications for a bail bonding agent license after 5:00 PM MST on June 15, 2012.

Q. What will happen to my existing/current bail bonding agent license?

A. Your bail bonding agent license will be canceled effective July 1, 2012 and your license will be converted to an insurance producer license with the casualty line of authority.

Q. What will be the expiration date of my license?

A. If your bail bonding agent license expires 1/1/2013, your new expiration date will be the last date of your birth month, 2013.
If your bail bonding agent license expires 1/1/2014, your new expiration date will be last date of your birth month, 2014.

Q. Will I receive a new license number?

A. Yes, you will be issued a new license number as an insurance producer with the casualty line of authority, unless you already hold an insurance producer license with the casualty line of authority.

Q. If I currently hold both a bail bonding agent license and an insurance producer license, will I be issued a new license number?

A. No, you will continue to remain licensed as an insurance producer with the casualty line of authority with your existing insurance producer license number. Your bail bonding agent license will be canceled effective July 1, 2012.

Q. Will my insurance company appointment(s) for my bail bonding agent license be converted?

A. Yes, appointments will be converted to your insurance producer license with casualty authority.

Q. What effective date can I begin to use my insurance producer license with the casualty line of authority to write bail bonds?

A. July 1, 2012.

Q. As an insurance producer with the casualty line of authority, am I required to have an insurance company appointment to write bail bonds?

A. Yes

CREDENTIALS, LICENSURE PROOF

Q. How will the Colorado courts receive information as to who is licensed as an insurance producer with casualty authority to transact bail bond business?

A. The Division will provide electronic notification to State Judicial. The Division's website will also reflect who has a current license and what insurance company the licensee is appointed to represent. This information can be found on the Division's website at: http://www.dora.state.co.us/insurance/

APPLYING FOR LICENSURE AS AN INSURANCE PRODUCER WITH CASUALTY AUTHORITY, FELONS, FINGERPRINTS AND EDUCATION REQUIREMENTS

Q. What are the requirements to apply for licensure as a new insurance producer with the casualty line of authority who is authorized to write bail bonds?

A. --Complete the casualty prelicensing education
--Take and pass the casualty licensing examination
--Complete the bail bonding agent preappointment education
--Obtain an appointment with a bail insurance company
--Apply for an insurance producer license with the casualty line of authority

Q. Are fingerprints required?

A. No.

Q. Am I required to take casualty prelicensing education?

A. Yes - 50 hours of casualty prelicensing

Q. Am I required to take bail bonding agent preappointment education?

A. Yes - 8 hours regarding bail bonding and 16 hours regarding bail recovery practices. An insurance company shall not appoint an insurance producer to act as its agent to write bail bonds unless you have taken and passed the bail bonding preappointment education.

Q. Are the prelicensing classes for casualty and bail bonding separate?

A. Yes, the prelicensing education for casualty and the preappointment education for bail will be completely separate.

Q. Will bail bonding agent prelicensing education current classes/certificates given during June be considered valid as bail bonding agent pre-licensure education?

A. The bail bonding prelicensure education must have been completed prior to the last bail test which was administered on June 2, 2012. Any certificate issued by an approved bail bonding prelicensure provider in June 2012 will be “valid” for the “preappointment” requirement set forth in § 10-2-415.5(2)(c)(I)(a) and (b), C.R.S. (effective July 1, 2012). However the insurers may, at their discretion, choose not to accept them knowing that the material that was taught was based on the old law and not the new law..

Q. Will the examination for bail agents include any casualty items?

A. There will not be a separate test for bail agents. Individuals that want to sell bail bonds will take casualty prelicensing courses and will take the casualty licensing examination. There will likely be items in the exam pool on bail bonds in the casualty prelicensing courses, but that will not occur until at least 1/1/2013 as the Division review tests annually and releases new versions on the first of the year.

Q. Will there be a separate test for bail agent authority?

A. There is no such thing as bail agent authority. To be qualified to write bail bonds in Colorado as of 7/1/2012 you must be licensed as an insurance producer with the casualty line of authority. In addition, you must be appointed to write business with a bail insurance company. You cannot become appointed to write business with a bail insurance company until you have completed the preappointment education required by § 10-2-415.5, C.R.S. (effective July 1, 2012).

Q. After July 1, 2012 am I required to take continuing education?

A. Yes.

Q. When will I be required to take and complete continuing education?

A.. If your license expires in 2013, your continuing education is required to be completed prior to the expiration of your license in 2015. If your license expires in 2014, your continuing education is required to be completed prior to the expiration of your license in 2016.

Q. If I have a felony conviction, do I have to comply with § 18 USC 1033 and 1034?

A. Yes, if you have a felony conviction involving breach of trust or crime of dishonesty, you are required to apply for a waiver from the commissioner to conduct the business of insurance through interstate commerce. There is no time restriction regarding the date of a felony conviction. Any felony conviction involving breach of trust of crime of dishonesty is included under § 18 USC 1033 and 1034.

Q. Can I become licensed as an insurance agency/business entity?

A. Yes.

Q. What are the licensing requirements for an insurance agency/business entity?

A. See §§ 10-2-404, 405 and 406, C.R.S. (effective July 1, 2012).

Q. Will the Division issue non-resident licenses to sell bail bonds in Colorado.

A. Yes.

REPORTING REQUIREMENTS

Q. Do I have to file an annual report for July 1, 2011 through June 30, 2012?

A. Yes. You must file a copy of your DBR, with the required affidavit attached The report must be filed electronically via email or fax. See Regulation 1-2-14 effective 11/1/2009.

Q. When will the report be due to the Division?

A. Reports must be filed no later than November 1, 2012. However, the Division encourages the filing of reports as early as possible and will accept reports as of July 1, 2012.

Q. When do I have to file the first report that contains the new requirements under § 10-2-415.6?

A. The first report in this format will cover the period of July 1, 2012 through June 30, 2013 and must be filed no later than October 1, 2013. The Division will be promulgating a rule that sets forth the form and filing method.

FORMS

Q. Will the Division create forms and/or approve forms?

A. No. The only forms that will be promulgated by the Division are the disclosure statement and the annual reporting form. See §§ 10-2-415.6 and 10-2-705(2)(b), C.R.S. (effective July 1, 2012).

BAIL RECOVERY

Q. What are the requirements for bail recovery and who can do bail recovery?

A. There are no requirements for bail recovery. The Division does not regulate bail recovery.

ON THE BOARD

Q. What role does the Division play in the on the board process?

A. None. Contact State Judicial regarding the On the Board process.

PRELICENSING EDUCATION AND CONTINUING EDUCATION PROVIDER INFORMATION

Q. Does the bail bonding preappointment education course need to include all the statutes, regulations, definitions, bulletins for Casualty?

A. No. The course needs to include the information pertinent to bail – see § 10-2-415.5, C.R.S. (effective July 1, 2012).

Q. Does the Casualty prelicensing education course need to include all the statutes, regulations, definitions, bulletins for Bail?

A. Yes

Q. Does an existing bail bonding agent course provider need to submit a new lesson plan for bail only?

A. Yes, the statute numbers have changed and the rules will be changing and thus at least a portion of your course will need to be resubmitted for approval as a preappointment course.

Q. Is an existing bail bonding agent prelicensing course provider required to submit a new lesson plan that includes all the required study material for Casualty and Bail?

A. Yes, if you want to become a prelicensing education provider for the casualty line of authority.

Q. Will bail bonding agent prelicensing education current classes/certificates given during June be considered valid as bail bonding agent pre-licensure education?

A. The bail bonding prelicensure must have been completed prior to the last bail test which was administered on June 2, 2012. Any certificate issued by an approved bail bonding prelicensure provider in June will be "valid" for the "preappointment" requirement set forth in § 10-2-415.5(2)(c)(I)(a) and (b), C.R.S.(effective July 1, 2012). However the insurers may choose, at their discretion, not to accept them knowing that the material that was taught was based on the old law and not the new law..

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