



Insurance Department

State of Utah

GARY R. HERBERT
Governor
SPENCER J. COX
Lieutenant Governor
TODD E. KISER
Commissioner

Bail Bond Surety Oversight Board Meeting

(<https://insurance.utah.gov/licensee/other/bail-bond/board>)

Date: August 12, 2020

Time: Noon

Place: Teleconference Only

BOARD MEMBERS

Clay Carlos (Chair)	xTony Choate
xDominic Sanone (Co-Chair)	xBonnie Johnson
xLt. Ken Jones	xCurt Oda
xChad Woolley	xReed Stringham (Non-Voting)

DEPARTMENT STAFF

xTodd Kiser, <i>Ins. Commissioner</i>	xTracy Klausmeier, <i>P&C Director</i>	xDanny Schoenfeld, <i>Finance Dir.</i>
xPerri Babalis, <i>AG Counsel</i>	xEddie Vasquez, <i>AG Counsel</i>	xSteve Gooch, <i>PIO Recorder</i>

PUBLIC

Gordon Wright	Wayne Carlos	Gerald Conder
Steve Brown	Oscar Gonzalez	Vivian White
Quin Smith	Natalie Smith	Henry Chandra
Larry Nowak	Ali Jensen Chaffee	Daniel Hart
Dyon Flannery	Clyde Stevens	Patty Reed
Robert May	Joshua Massey	Skip Pappas
Bert Christenson	Kathleen Morgan	Richard Beard

MINUTES — Not Approved

- **General Session (Open to the Public)**
 - Welcome / Dominic Sanone, Chair (12:02 pm)
 - Clay Carlos is excused.
 - Adoption of Minutes for April 8, 2020 meeting
 - **Motion by Ken to adopt minutes. Seconded by Tony. Motion passes 6-0.**
- **Executive Session - If Needed (Closed to the Public)**
- **General Session (Open to the Public)**
 - **Approve Recommended Actions from Executive Session** – Not needed
 - **Summary of Reports**
 - Quarterly Accounting for Bail Bond Administration Account / Danny
 - For Q3, spending was \$482.92, and spending for the year to date is \$6,023.08. Most of the spending was personnel expenses for staff, which was about \$5,500; there was also an in-state travel reimbursement of \$98 and other expenses of \$401.
 - The cumulative balance carried forward is \$35,226.26.
 - **New Business**
 - Annual bail bond agency renewals / Tracy

- The UID has submitted a PDF document that shows the companies that have completed the renewal process based on what's required in the statute. The UID is looking for the board to recommend approval of the list from 007 Bonds to Xtreme Bail Bonds. There is also a second group that is for companies that needed to attend a meeting during this last year; participation in this meeting will be counted for this renewal. Tracy also asks that those companies — Massey's Bail Bonds, Pappas Bail Bonds, Ape Bail Bonds, and Price Bail Bonding — be recommended for renewal because their principals are in attendance.
- A-1 Bail Bonds, Busy Bee Bonds, and Fast n Furious Bail Bonds did not submit the required documentation, and the UID recommends that they not be renewed.
- Reed says that according to statute, board must recommend license renewals to the Commissioner. The vote will be whether the board recommends renewal for the agencies that are identified.
- Curt asks what's required of the three that aren't being recommended. What do they need to do to get reinstated? Reed says they will need to seek reinstatement of the license, which they can do as soon as it expires on August 14. Curt asks if there's a time limit to do that. Reed says they have up to a year to reinstate. Curt asks if they can conduct business after the expiration. Reed says they can conduct business until their license expires at 12:01am on August 14. Curt asks if, after the expiration, they don't reinstate their license for one year, they can't conduct business for that period. Reed says that's correct: They have a year to reinstate, and if they don't do it within that year, they have to reapply for a license.
- Kathleen Morgan with Fast n Furious says she did her requirements. She renewed and sent her power from the surety company, and that the office would have to sign for it. She says it should be there already. She wants to know what the other requirements are. Tracy says the statute requires that licensees fill out a renewal application, attend a meeting, and pay the fee. Kathleen says she did. Tracy says the UID sent emails out to notify people and ask that applications be submitted to the pcforms@utah.gov email. Fast n Furious paid the fee on July 12 and attended a meeting last August, but the UID has not received the application or the power of attorney. Tracy sent Kathleen a reminder email on July 13. Kathleen says she sent a certified letter with the power in it, and has the certified receipt. She doesn't know what application Tracy is talking about, and says she did an application when she renewed her license. Dominic says the email from the UID clearly stated that all applications needed to be emailed, not hard copy. If that wasn't done, that was probably the issue. Tracy says the questions asked by Sircon when you go to pay is not the application; the application was developed in 2018 and is on the UID website. It asks different questions, and is the application that wasn't received. Kathleen asks where she can get the form so she can get it in before the 14th. Tracy says she will talk to Kathleen about it after the meeting.
- Dominic clarifies that the only problem with Massey, Pappas, Ape, and Price is that they didn't attend a meeting during the calendar year. Tracy says that's correct.
- Reed notes that the code states that applications must be in by July 15. If a licensee misses that date, the option is to reinstate. Fast n Furious' option is to reinstate after August 14.

- Motion by Curt to recommend approval of all renewals except A-1 Bail Bonds, Busy Bee Bonds LLC, and Fast n Furious Bail Bonds. Seconded by Dominic. Motion passes 6-0.
- Proposed amendment to Utah Code § 31A-35-406 / Reed
 - Reed states that the proposed amendment clarifies the time period in which a licensee must attend a meeting. The rule says that licensees must attend one meeting during the year, and the proposed amendment clarifies that it must be during the year prior to the time the application is due. In other words, any time between July 15 of the prior year, and July 14 of the current year. The other change requires that someone from the agency affirm that a principal attended a meeting, which will be done on the renewal application form. So instead of keeping a roll of the meetings, the agency will certify that a principal attended. Dominic asks if the UID will then ratify it. Reed says the UID will do spot checks, but it will be up to the industry to be honest and trustworthy, and if they didn't attend they won't affirm it. Curt asks if the certification will be on the application. Reed says yes.
 - Gordon Wright suggests doing away with the meeting attendance requirement. He and Curt ask what the purpose of it is. Dominic thinks it's imperative for agencies to know what's going on in the industry, and these meetings are paramount to that. It's important for agencies to know what's going on so they aren't breaking the rules. Gordon says if an issue comes up, like renewing a license, he can attend then. He thinks making it a requirement is burdensome. Dominic says it's a better option than having continuing education. Gordon says attending meetings and continuing education came up when he was on the board, and he didn't vote for it. He doesn't see what use the requirement has, and if someone can lose their license for not attending a meeting, that's not very fair. He notes that there are people at this meeting that had to attend the meeting and otherwise wouldn't, but being forced to attend a meeting isn't the proper way.
 - Four other members of the industry, including Joshua Massey, someone in St. George, and Uintah Basin Bail Bonds, agree.
 - Curt thinks it's a discussion for the next meeting.
 - Reed requests that the meeting requirement be put on the agenda for the next meeting.
- **Old Business**
 - P&C flow chart / Tracy
 - Tracy says the Property & Casualty Division's first point of contact is Megan Broschinsky. Any questions can start with her. If she can't answer the question, she can send it to another team member. Those team members are Kelly Christensen, Anna Timothy, Kyle Becker, and Nicole Sherrod, who are all market conduct examiners and have been working with bail. Adam Martin is a market conduct examiner, but he is specific to the title industry only. Kathy Stajduhar does rates and forms and handles bail filings.
 - Dominic says the UID website isn't friendly about getting in contact with people. He asks for a phone number and email list for the people on the list. Tracy says calling 801-538-3035 will go right to Megan in P&C. If Megan is on the phone, it will roll to someone else on the team. The email address is prop-cas@utah.gov, which is managed by Megan.
- **Other Business**

- Annual board member training / Perri
 - The legislature has mandated that all public boards have training on the Open and Public Meetings Act (OPMA).
 - Perri notes that Clay, as the chair of the body, signed a document indicating that this meeting could be held electronically and without an anchor location. That document needs to be made part of the record. The legislature just enacted 52-4-207(4) that states that the chair of the board may determine that a meeting be held electronically without an anchor location if there is a substantial risk to the health and safety of those who may be present at the anchor location. Clay made that determination based on the current COVID-19 pandemic and it needs to be made part of the record. This puts it on the record.
 - The purpose of the OPMA is to make sure the state's business is done in an open and transparent manner. Meeting notices must be made at least 24 hours prior to the meeting, and must provide date, time, place, and an agenda of topics to be discussed. Other topics can be discussed if they're brought up during the meeting, but no action can be taken. The agenda must state with specificity what the board will discuss.
 - Governor Herbert issued Executive 2020-5 on March 18 and it was in effect until June 30, 2020. The legislature codified it in HB 5002. That allows the chair to be held electronically without an anchor location because of a health or safety concern.
 - Minutes and recordings must be taken for every meeting.
 - A public body may hold a closed meeting only for certain purposes. A closed meeting is only open to board meetings and one or two UID personnel. The most likely reason that the Bail Bond Board could close a meeting would be to discuss a person's character, competence, or health; to discuss pending or imminent litigation; or to discuss an investigation of alleged criminal conduct. There are other reasons in the statute, but they likely won't apply to this body.
 - Emergency meetings can take place if the chair determines it necessary. An emergency meeting does not require 24 hour notice.
 - Electronic meetings are allowed if a body has bylaws that allow for it, which the Bail Bond Board does have.
 - The penalty for knowingly and intentionally violating the closed meeting provision of OPMA is a class-B misdemeanor.
- Elect new chair and vice chair
 - **Tony nominates Clay as chair. Ken seconds. Motion passes 6-0.**
 - **Curt nominates Dominic as vice chair. Tony seconds. Motion passes 6-0.**
- Dominic notes that the UID handed out conflict of interest forms at the last meeting, and asks what happened with them. Steve says as far as he knows, we have only received forms from Chad and Ken. Dominic asks Steve to send them out again.
- **Adjourned** (12:53 pm)
 - **Motion by Curt to adjourn. Seconded by Tony. Motion passes 6-0.**
 - **Next Meeting:** October 14, 2020 — Copper Room, East Building

2020 Meetings (Noon to 1:30pm)

January 8, 2020	April 8, 2020	August 12, 2020	October 14, 2020
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