

7752

I N S E N A T E

June 18, 2012

Introduced by Sen. RIVERA -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the insurance law, in relation to charitable bail organizations

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 1108 of the insurance law is amended by adding a
2 new subsection (k) to read as follows:

3 (K) A CHARITABLE BAIL ORGANIZATION HOLDING A CERTIFICATE ISSUED BY THE
4 SUPERINTENDENT PURSUANT TO SECTION SIX THOUSAND EIGHT HUNDRED FIVE OF
5 THIS CHAPTER.

6 S 2. Subsections (a) and (b) of section 6801 of the insurance law are
7 amended to read as follows:

8 (a) (1) Any person, firm or corporation in any court having criminal
9 jurisdiction or in any criminal action or proceeding who shall for
10 another deposit money or property as bail or execute as surety any bail
11 bond who within a period of one month prior thereto shall have made such
12 a deposit or given such bail in more than two cases not arising out of
13 the same transaction shall be deemed to be doing a bail [bond] business
14 and doing an insurance business as defined in article eleven of this
15 chapter.

16 (2) Except for a corporation authorized to write fidelity and surety
17 insurance and to do a bail [bond] business pursuant to the provisions of
18 article eleven of this chapter and otherwise in compliance with all
19 other requirements of this chapter to do such business OR A CHARITABLE
20 BAIL ORGANIZATION HOLDING A CERTIFICATE ISSUED BY THE SUPERINTENDENT
21 PURSUANT TO SECTION SIX THOUSAND EIGHT HUNDRED FIVE OF THIS ARTICLE AND
22 OTHERWISE IN COMPLIANCE WITH ALL OTHER REQUIREMENT OF THIS CHAPTER, no
23 person, firm or corporation shall engage in [such] A BAIL business IN
24 THIS STATE.

25 (b) (1) No person, firm or corporation shall in this state do an
26 insurance business or a bail [bond] business as defined in subsection
27 (a) of this section unless authorized by a license issued and in force
28 as provided under article eleven of this chapter.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 (2) The superintendent may authorize a property/casualty insurance
2 company which is authorized to write fidelity and surety insurance to do
3 a bail [bond] business in accordance with the provisions of article
4 eleven of this chapter, but no individual shall be licensed to do such
5 business.

6 S 3. Subsections (a), (b), (c), (h) and (m) of section 6802 of the
7 insurance law, subsection (m) as amended by chapter 285 of the laws of
8 1993, are amended to read as follows:

9 (a) No person, firm or corporation or any officer or employee thereof
10 shall act in this state as an agent or solicitor of an insurer OR CHARI-
11 TABLE BAIL ORGANIZATION doing a bail [bond] business in soliciting,
12 negotiating or effectuating any such deposit or bail bond by such insur-
13 er OR CHARITABLE BAIL ORGANIZATION unless licensed by the superintendent
14 as an agent pursuant to the provisions of this section. Any person, firm
15 or corporation so acting without being duly licensed shall be guilty of
16 a misdemeanor.

17 (b) Every corporation OR CHARITABLE BAIL ORGANIZATION engaging as an
18 insurer [in the business of giving] DOING A bail BUSINESS IN THIS STATE
19 shall procure a license pursuant to the provisions of this section for
20 each of its employees, officers and agents acting for it in soliciting,
21 negotiating or effectuating any such deposit or bail bond.

22 (c) The superintendent may, in [his] THE SUPERINTENDENT'S discretion,
23 issue to any person, firm or corporation a license to act as an agent of
24 an authorized insurer OR CHARITABLE BAIL ORGANIZATION, in soliciting,
25 negotiating or effectuating any such deposit or bail bond by such insur-
26 er OR ANY SUCH DEPOSIT BY SUCH CHARITABLE BAIL ORGANIZATION.

27 (h) In order to determine the competence of each applicant for a
28 license or a sublicense, the superintendent shall require every appli-
29 cant to pass to the satisfaction of the superintendent a written exam-
30 ination to be prepared by the superintendent and appropriate to the
31 doing of a bail [bond] business. If the applicant or any proposed subli-
32 censee intends to maintain an office or solicit, negotiate, effectuate
33 or deposit bail on behalf of another in any city containing a population
34 of more than one hundred seventy-five thousand, such written examination
35 may inquire into the applicant's knowledge of the pertinent provisions
36 of the criminal procedure law and the pertinent rules and practices of
37 the courts and district attorneys' offices within the area of the appli-
38 cant's proposed operations. Such examination shall be held at such times
39 and places as the superintendent shall determine.

40 (m) Every license issued to an officer, employee, or agent of an
41 insurer OR CHARITABLE BAIL ORGANIZATION doing a bail [bond] business
42 pursuant to this section shall be for a term expiring on the thirty-
43 first day of December of even numbered years and may be renewed for the
44 ensuing two calendar years upon the filing of a renewal application. The
45 superintendent may refuse to issue any such license if in [his] THE
46 SUPERINTENDENT'S judgment such refusal will best promote the interests
47 of the people of this state. Every such licensee and sublicensee shall
48 file an information statement on or before the thirty-first day of
49 December of each even numbered year, the form and subject matter of
50 which may be prescribed by the superintendent.

51 S 4. Section 6803 of the insurance law is amended to read as follows:

52 S 6803. Bail bond business; cities in excess of one hundred seventy-
53 five thousand. (a) An insurance corporation OR CHARITABLE BAIL ORGANIZA-
54 TION engaged in the BAIL business [of giving bail] in a city containing
55 a population of more than one hundred seventy-five thousand inhabitants,
56 according to the last preceding federal census or state enumeration,

1 shall file with the district attorney of each county contained in such
2 city or in which such a city is contained, the clerks of the supreme and
3 county courts and the clerk of the criminal court of the city of New
4 York, certified statements of the names of all persons authorized to
5 execute bail bonds OR EFFECTUATING SUCH DEPOSIT on its behalf or to
6 solicit such business as agent, together with a certificate duly
7 executed by the superintendent, certifying with respect to each such
8 person, that such person has been licensed by the superintendent pursu-
9 ant to section six thousand eight hundred two of this article.

10 (b) The court or other public officer concerned in the matter may
11 examine under oath any insurer OR CHARITABLE BAIL ORGANIZATION doing a
12 bail [bond] business or a depositor of security for bail, or the officer
13 or agent of any such insurer, CHARITABLE BAIL ORGANIZATION or depositor
14 proposing to execute a bail bond, or to make such deposit, as to the
15 indemnity, if any, deposited or otherwise provided directly or indirect-
16 ly against loss by reason of the deposit or bail bond and as to the fee
17 charged, IF ANY, for the giving of such bond. The court or other public
18 officer concerned in the matter may refuse to accept such bond or depos-
19 it if satisfied that any portion of such security has been feloniously
20 obtained by the defendant, or that the provisions of this or any other
21 section of law have been violated, or that the person or persons indem-
22 nifying such insurer or depositor shall have within a period of one
23 month prior thereto given indemnification or security for like purpose
24 in more than two cases not arising out of the same transaction and that
25 such person is not duly licensed by the superintendent in accordance
26 with the provisions of this chapter.

27 S 5. The insurance law is amended by adding a new section 6805 to read
28 as follows:

29 S 6805. CHARITABLE BAIL ORGANIZATION. (A)(1) THE SUPERINTENDENT MAY
30 ISSUE A CERTIFICATE TO A CHARITABLE BAIL ORGANIZATION TO DEPOSIT MONEY
31 AS BAIL FOR ANOTHER IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION
32 ONLY IF SUCH ENTITY IS A NON-PROFIT ORGANIZATION ORGANIZED PURSUANT TO
33 THE UNITED STATES INTERNAL REVENUE CODE AS DESCRIBED BY SECTION
34 501(C)(3) OF TITLE 26 OF THE UNITED STATES CODE, IS REGISTERED AS A
35 CHARITY PURSUANT TO ARTICLE SEVEN-A OF THE EXECUTIVE LAW AND IS CURRENT
36 ON SUCH REGISTRATION.

37 (2) THE APPLICATION FOR A CHARITABLE BAIL ORGANIZATION CERTIFICATE
38 SHALL BE IN SUCH FORM OR FORMS, AND SHALL CONTAIN RELEVANT INFORMATION,
39 AS THE SUPERINTENDENT SHALL PRESCRIBE.

40 (3) THE SUPERINTENDENT MAY REFUSE TO ISSUE A CHARITABLE BAIL ORGANIZA-
41 TION CERTIFICATE IF, IN THE SUPERINTENDENT'S JUDGMENT, AN APPLICANT, OR
42 AN OFFICER OR DIRECTOR OF THE APPLICANT, HAS: (A) DEMONSTRATED UNTRUST-
43 WORTHINESS OR INCOMPETENCE; (B) GIVEN CAUSE FOR THE REVOCATION OR
44 SUSPENSION OF THE CERTIFICATE; OR (C) FAILED TO COMPLY WITH ANY PREREQ-
45 UISITE FOR THE ISSUANCE OF THE CERTIFICATE.

46 (4) A CHARITABLE BAIL ORGANIZATION CERTIFICATE SHALL BE VALID FOR A
47 TERM OF FIVE YEARS FROM ISSUANCE. AT THE TIME OF APPLICATION FOR EVERY
48 SUCH CERTIFICATE, AND FOR EVERY RENEWAL THEREOF, AN APPLICANT SHALL PAY
49 TO THE SUPERINTENDENT A SUM OF ONE THOUSAND DOLLARS PAYABLE EACH TERM OR
50 FRACTION OF A TERM, PROVIDED, HOWEVER, THAT IN HIS OR HER DISCRETION,
51 THE SUPERINTENDENT MAY WAIVE SUCH FEE.

52 (5) IF AN APPLICATION FOR A RENEWAL CERTIFICATE SHALL HAVE BEEN FILED
53 WITH THE SUPERINTENDENT BEFORE THE EXPIRATION OF SUCH CERTIFICATE, THEN
54 THE CERTIFICATE SOUGHT TO BE RENEWED SHALL CONTINUE IN FULL FORCE AND
55 EFFECT EITHER UNTIL THE ISSUANCE BY THE SUPERINTENDENT OR THE RENEWAL

1 CERTIFICATE APPLIED FOR OR UNTIL FIVE DAYS AFTER THE SUPERINTENDENT
2 SHALL HAVE REFUSED TO ISSUE SUCH RENEWAL CERTIFICATE.

3 (6) THE SUPERINTENDENT MAY REFUSE TO RENEW OR MAY REVOKE OR SUSPEND A
4 CHARITABLE BAIL ORGANIZATION CERTIFICATE FOR A REASONABLE PERIOD DETER-
5 MINED BY THE SUPERINTENDENT IF, AFTER NOTICE AND HEARING, THE SUPER-
6 INTENDENT DETERMINES THAT AN APPLICANT OR LICENSEE, OR AN OFFICER OR
7 DIRECTOR OF THE APPLICANT OR LICENSEE, HAS: (A) DEMONSTRATED UNTRUSTWOR-
8 THINESS OR INCOMPETENCE; (B) VIOLATED THIS SECTION OR AUTHORIZED REGU-
9 LATIONS PROMULGATED THEREUNDER; OR (C) FAILED TO STAY CURRENT WITH THEIR
10 REGISTRATION AS A CHARITY PURSUANT TO ARTICLE SEVEN-A OF THE EXECUTIVE
11 LAW. ANY HEARING CONDUCTED UNDER THIS SECTION SHALL COMPLY WITH THE
12 REQUIREMENTS OF SECTION THREE HUNDRED FIVE OF THE FINANCIAL SERVICES
13 LAW.

14 (B) A CHARITABLE BAIL ORGANIZATION SHALL:

15 (1) ONLY DEPOSIT MONEY AS BAIL IN THE AMOUNT OF TWO THOUSAND DOLLARS
16 OR LESS FOR A DEFENDANT CHARGED WITH ONE OR MORE MISDEMEANORS, PROVIDED,
17 HOWEVER, THAT SUCH ORGANIZATION SHALL NOT EXECUTE AS SURETY ANY BOND FOR
18 ANY DEFENDANT;

19 (2) ONLY DEPOSIT MONEY AS BAIL ON BEHALF OF A PERSON WHO IS FINANCIAL-
20 LY UNABLE TO POST BAIL, WHICH MAY CONSTITUTE A PORTION OR THE WHOLE
21 AMOUNT OF SUCH BAIL;

22 (3) ONLY DEPOSIT MONEY AS BAIL IN ONE COUNTY IN THIS STATE. PROVIDED,
23 HOWEVER, THAT A CHARITABLE BAIL ORGANIZATION WHOSE PRINCIPAL PLACE OF
24 BUSINESS IS LOCATED WITHIN A CITY OF A MILLION OR MORE MAY DEPOSIT MONEY
25 AS BAIL IN THE FIVE COUNTIES COMPRISING SUCH CITY; AND

26 (4) NOT CHARGE A PREMIUM OR RECEIVE COMPENSATION FOR ACTING AS A CHAR-
27 ITABLE BAIL ORGANIZATION.

28 (C) THE SUPERINTENDENT MAY PROMULGATE REGULATIONS IMPLEMENTING THIS
29 SECTION.

30 S 6. This act shall take effect on the ninetieth day after it shall
31 have become a law.