



ARTHUR C. (CAPPY) EADS

RECEIVED DISTRICT ATTORNEY

May 28, 1999

JUN 01 1999

27TH JUDICIAL DISTRICT OF TEXAS

Opinion Committee

(BELL COUNTY)

RQ-0071-JC

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Honorable John Cornyn
Attorney General
c/o Elizabeth Robinson
Chairperson Opinion Committee
P. O. Box 12548, Capitol Station
Austin, Texas 78711-2548

Re: Opinion Request: Insurance Company
Security Requirements Under Bail Bond Act

Dear Attorney General:

At its regular meeting on May 20, 1999, the Bell County Bail Bond Board voted to request the Bell County District Attorney to seek the opinion of the Attorney General of Texas regarding the security requirements for agent applications for insurance companies under the Bail Bond Act, a question which the Attorney General expressly left unresolved in AG Opin. No. DM-224, 1993.

The facts necessitating this opinion are that the Board has two insurance companies currently licensed to write bail bonds in Bell County. One insurance company has two individuals who are licensed to sign bonds for the insurance company. This insurance company has provided the Sheriff of Bell County with letters of credit to cover bonds written by these agents but no separate letter of credit for the company itself.

In January, 1999, another insurance company applied for and was granted a license to write bail bonds in the county. The insurance company applied for agent license for a corporation and an individual to be licensed as its agent. The insurance company posted one letter of credit with the Sheriff to cover all bonds written for the insurance company under its license in the county.

In March, 1999, this same insurance company requested that another individual be licensed to act as its agent to sign bonds on its behalf. When the board considered the matter, a question was raised as to what security, if any, is required for the licensing of this individual. The insurance company agreed to post additional security, pending a final decision by the Board as to what is required.

May 28, 1998

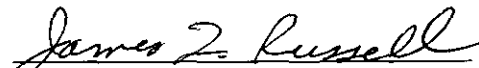
Page 2

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In the course of considering this matter, the Board received from the Bell County Attorney, Honorable Rick Miller an opinion that only one letter of credit is required under the Act for an insurance company irrespective of the number of license agents. A copy of that letter is enclosed. Honorable Randy Adler, Attorney at Law, said he represented insurance companies. He advised the Board that in other counties a separate letter of credit is required for each licensed agent. He also explained his legal reasons for that conclusion referring to Section 7(c) of the Act.

It was in this context that the Board voted to request the District Attorney to seek the Attorney General's Opinion. Our brief of that question is enclosed.

Sincerely yours,



JAMES T. RUSSELL
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JTR/dr

cc: Randy Adler
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Bail Bond Board Members

Enclosures