



## NEWS RELEASE

**For Immediate Release** – September 7, 2010

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### **International Fidelity Fined \$442,000 for Bail Bond Violations; Other Bail Bond Insurers Put on Notice**

Following an examination by the Division of Insurance, International Fidelity Insurance Company, a Colorado-regulated casualty company based in New Jersey, must pay a civil fine of \$442,000 for numerous violations of insurance law related to Colorado bail bond business.

International Fidelity Insurance Company is licensed to provide a range of surety bonds in Colorado, but the recent market conduct examination focused solely on its bail bond business. Some issues addressed in the examination report include:

- Failure to handle funds in a fiduciary capacity,
- Failure to appropriately contract with all agents,
- Failure to require bail bond agents to complete required documentation,
- Failure to include all required information on documentation related to the issuance of bail bonds, and
- Failure to properly document deviations from filed rates.

“The Division’s examination of International Fidelity Insurance Company is one of the first of several ongoing market conduct examinations we have conducted on bail bond insurers, but it will not be the last,” said Insurance Commissioner Marcy Morrison. “The Division wants to send a clear message that the issues and the standards addressed in this exam will impact every bail bond insurer and its agents, as well as every cash and professional cash agent licensed in Colorado. There are other bail bond market conduct exams currently in progress and we expect to continue to call examinations on additional companies, both large and small.”

Morrison pointed out that an agent accurately completing required bail bond paperwork is not optional; it is required in Colorado law. “The law’s intent is to protect the consumer. Families and individuals who must use a bail bond agent can be in a vulnerable position and they depend on the bail bond agent to act appropriately to complete and file correct paperwork, which protects the consumer’s interests,” she said.

International Fidelity provided a remedial plan to correct the failures uncovered in the examination, which must now be implemented no later than December 31, 2010. The Division found that IFIC's remedial plan addressed the issues and violations set forth in the Final Agency Order. Morrison stated that over the next few months, the Division will expect and require all other bail bond insurers and agents in Colorado to reach the same level of compliance as seen in IFIC’s plan .

The Final Agency Order may be found at: <http://www.dora.state.co.us/insurance/mcexam/MarketRegChron.htm>

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