

This rule was filed as 13 NMAC 20.2.

TITLE 13 INSURANCE
CHAPTER 20 MISCELLANEOUS INSURANCE
PART 2 BAIL BONDSMEN AND SOLICITORS

13.20.2.1 ISSUING AGENCY: New Mexico Public Regulation Commission, Insurance Division, Post Office Box 1269, Santa Fe, NM 87504-1269.
[1/1/00; Recompiled 11/30/01]

13.20.2.2 SCOPE: This rule applies to all persons seeking licensure to transact, or transacting, bail bond business in New Mexico.
[1/1/00; Recompiled 11/30/01]

13.20.2.3 STATUTORY AUTHORITY: Sections 59A-2-9 and 59A-51-1 NMSA 1978 et seq.
[1/1/00; Recompiled 11/30/01]

13.20.2.4 DURATION: Permanent.
[1/1/00; Recompiled 11/30/01]

13.20.2.5 EFFECTIVE DATE: January 1, 2000, unless a later date is cited at the end of a section or paragraph.
[1/1/00; Recompiled 11/30/01]
[Compiler's note: The words *or paragraph*, above, are no longer applicable. Later dates are now cited only at the end of sections, in the history notes appearing in brackets.]

13.20.2.6 OBJECTIVE: The purpose of this rule is to implement the Bail Bondsmen Licensing Law, Section 59A-51-1 NMSA 1978 et seq.
[1/1/00; Recompiled 11/30/01]

13.20.2.7 DEFINITIONS: In addition to the definitions contained in the Bail Bondsmen Licensing Law, as used in this rule clock hour means fifty (50) minutes of continuous formal pre-licensing classroom education.
[1/1/00; Recompiled 11/30/01]

13.20.2.8 LICENSING RESTRICTIONS:

A. **All applicants:** Pursuant to 18 U.S.C. Sections 1033 and 1034 of the Violent Crime Control and Law Enforcement Act of 1994, and the Criminal Offender Employment Act, Section 28-2-1 NMSA 1978 et seq., no person who has been convicted of a felony involving dishonesty or a breach of trust shall be licensed as a bail bondsman or solicitor without the written consent of the superintendent.

B. **Bail bondsmen:**

(1) A person seeking to transact, or transacting, both surety and property bail bonds must be licensed as both a limited surety agent and a property bondsman.

(2) A bail bondsman shall not concurrently be licensed as a solicitor.

C. **Solicitors:**

(1) A solicitor shall not concurrently be licensed as a bail bondsman.

(2) A solicitor shall not concurrently be employed by more than one bail bondsman.

(3) The solicitor's license shall cover the kinds of bail bonds for which the employer bail bondsman is licensed.

(4) A solicitor employed by a limited surety agent shall not sign surety bail bonds.

[1/1/00; Recompiled 11/30/01]

13.20.2.9 APPLICATION FOR LICENSE: The requirements in this section are in addition to the requirements of Section 59A-51-5 NMSA 1978.

A. **All applicants:**

(1) The application shall be signed by the applicant, under oath if required by the form.

- (2) The application shall state the type of license applied for.
- (3) The application may require such information about the applicant as:
 - (a) the applicant's name, date of birth, social security number, residence address, and business address;
 - (b) the applicant's personal history and business experience;
 - (c) the applicant's experience or special training or education in the bail bond business;
 - (d) whether the applicant was ever previously licensed to transact bail bonds or any other insurance business in this state or elsewhere;
 - (e) whether any bail bondsman, insurance or other professional license of the applicant was ever refused, suspended or revoked;
 - (f) whether any insurer or bail bondsman claims that the applicant is indebted to it, and if so, the details of the claim;
 - (g) whether the applicant has ever had an insurance agency contract cancelled and the facts concerning the cancellation;
 - (h) proof of applicant's identity; and
 - (i) such other pertinent information about the applicant as the superintendent may reasonably require.

B. Limited surety agents:

- (1) The application shall show bail bonds as the class of surety insurance business to be transacted.
- (2) The application must be accompanied by appointment of the applicant as a limited surety agent by an authorized surety insurer, subject to issuance of the license.
- (3) If required by the superintendent, the surety insurer shall certify in writing:
 - (a) that it has investigated the applicant's experience or training in the bail bond business;
 - (b) that it has investigated the applicant's business and personal reputation;
 - (c) that it believes the applicant is trustworthy and worthy of licensing; and
 - (d) that it believes the applicant intends in good faith to engage in the bail bond business.

C. Property bondsmen:

- (1) The application shall show property bail bonds as the class of bail bond business to be transacted.
- (2) The application shall include a schedule of charges and rating plan that conforms to the requirements of 13 NMAC 20.2.23 [now 13.20.2.23 NMAC].
- (3) The applicant shall demonstrate financial responsibility by filing an audited financial statement under oath using the schedules and instructions prescribed in 13 NMAC 20.2.24 through 20.2.33 [now 13.20.2.24 NMAC through 12.20.2.33 NMAC].

D. Solicitors:

- (1) The application shall be accompanied by a written appointment of the applicant as a solicitor by a licensed bail bondsman, subject to issuance of the license.
- (2) If required by the superintendent, the bail bondsman shall certify in writing:
 - (a) that he has investigated the applicant's experience or training in the bail bond business;
 - (b) that he has investigated the applicant's business and personal reputation;
 - (c) that he believes the applicant is trustworthy and worthy of licensing; and
 - (d) that he believes the applicant intends in good faith to engage in the bail bond business.

E. Approval or denial of license application: After completing his review of an application for a license as a bail bondsman or solicitor, the superintendent shall notify the applicant in writing whether his application has been approved or denied.

[1/1/00; Recompiled 11/30/01]

13.20.2.10 SCOPE OF EDUCATION AND EXAMINATION: Pre-licensing and continuing education courses, on-the-job training, and examinations shall be based on the following subjects, laws and rules:

A. Subjects.

- (1) ethics;
- (2) bond forfeiture procedures;
- (3) rights of the accused;
- (4) permitted and prohibited rates and charges;
- (5) receipt and return of collateral security;
- (6) financial management, accounting, trust account maintenance, and fiscal responsibilities;

(7) violations of law and applicable penalties;
(8) procedures for recovering a defendant who fails to appear and for returning a defendant to custody;

- (9) record-keeping requirements;
(10) reporting requirements; and
(11) other relevant issues confronting the bail bond business in New Mexico.

B. Laws:

- (1) Chapter 59A, Article 51 NMSA 1978, the Bail Bondsmen Licensing Law;
(2) all NMSA 1978 articles and sections cited in the Bail Bondsmen Licensing Law;
(3) Chapter 31, Article 3, NMSA 1978, Bail; and
(4) NMSA 1978, Chapter 46, Article 6, Surety Bonds.

C. Rules:

- (1) Rule 5-401 et seq. NMRA 1999, Rules of Criminal Procedure for the District Courts;
(2) Rule 6-401 et seq. NMRA 1999, Rules of Criminal Procedure for the Magistrate Courts;
(3) Rule 7-401 et seq. NMRA 1999, Rules of Criminal Procedure for the Metropolitan Courts;
(4) Rule 8-401 et seq. NMRA 1999, Rules of Criminal Procedure for the Municipal Courts;
(5) Forms 9-302 through 9-311 NMRA 1999, Criminal Forms;
(6) 13 NMAC 4.7 [now 13.4.7 NMAC], Continuing Education Requirements; and
(7) this rule.

[1/1/00; Recompiled 11/30/01]

13.20.2.11 PRE-LICENSING CLASSROOM EDUCATION:

A. **Accreditation:** Any person seeking to offer formal pre-licensing classroom education courses for bail bondsmen shall be approved and accredited by the insurance education committee as provided in 13 NMAC 4.7 [now 13.4.7 NMAC], Continuing Education Requirements.

B. **Curriculum:** Once a year, at least thirty (30) days prior to the commencement of a formal pre-licensing classroom education course, an accredited provider shall file a course curriculum with the superintendent for his approval. The course curriculum shall be based on the subjects, laws and rules cited in 13 NMAC 20.2.10 [now 13.20.2.10 NMAC], shall describe how each subject will be taught to the applicant, and shall indicate the approximate amount of time to be allocated to each subject.

C. **Course sites:** Accredited providers shall offer formal pre-licensing classroom education courses in at least two geographic areas of the state located not less than one hundred fifty (150) miles apart, as measured in driving distance from one course site to the other, until such time as the superintendent determines that sufficient classes are available statewide.

D. **Certificate of completion:** For each applicant who successfully completes the required formal pre-licensing classroom education, the accredited provider shall prepare and furnish to the applicant on the form provided by the superintendent a written certificate stating that the applicant has successfully completed the required formal pre-licensing classroom education in accordance with the approved curriculum. The provider shall specify the number of hours the applicant attended the course.

[1/1/00; Recompiled 11/30/01]

13.20.2.12 PRE-LICENSING ON-THE-JOB TRAINING:

A. **On-the-job training plan:** Once a year, at least thirty (30) days prior to the commencement of on-the-job training, the sponsoring bail bondsman shall file an on-the-job training plan with the superintendent for his approval. The on-the-job training plan shall be based on the subjects, laws and rules cited in 13 NMAC 20.2.10 [now 13.20.2.10 NMAC], shall describe how each subject will be taught to the applicant, and shall indicate the approximate amount of time to be allocated to each subject.

B. **Certificate of completion:** For each applicant who successfully completes on-the-job training, the sponsoring bail bondsman shall prepare and furnish to the applicant on the form provided by the superintendent a written certificate stating that the applicant has successfully completed on-the-job training in accordance with the approved on-the-job training plan.

[1/1/00; Recompiled 11/30/01]

13.20.2.13 PRE-LICENSING APPRENTICESHIP TRAINING FOR BAIL BONDSMEN:

A. **Apprenticeship plan:** Once a year, at least thirty (30) days prior to the commencement of an apprenticeship, the sponsoring bail bondsman shall file an apprenticeship plan with the superintendent for his approval. The apprenticeship plan shall be based on the subjects, laws and rules cited in 13 NMAC 20.2.10 [now 13.20.2.10 NMAC], shall describe how each subject will be taught to the applicant, and shall indicate the approximate amount of time to be allocated to each subject.

B. **Certificate of completion:** For each applicant for a bail bondsman's license who successfully completes an apprenticeship, the sponsoring bail bondsman shall prepare and furnish to the applicant on the form provided by the superintendent a written certificate stating that the applicant has successfully completed the six (6) month apprenticeship in accordance with the approved apprenticeship plan.
[1/1/00; Recompiled 11/30/01]

13.20.2.14 WAIVER OF PRE-LICENSING EDUCATION REQUIREMENTS: Upon written request from an applicant, the superintendent may, in his discretion, waive the pre-licensing education requirements whenever the applicant's background and experience so warrant.
[1/1/00; Recompiled 11/30/01]

13.20.2.15 ELIGIBILITY FOR EXAMINATION:

A. **Application for examination:** Before an applicant may take the examination required for licensure, he shall:

- (1) file an application to take the examination required for licensure;
- (2) file a copy of the written notification from the superintendent stating that his application for a license has been approved;
- (3) complete the pre-licensing classroom education and on-the-job training required by 13 NMAC 20.2.11 and 20.2.12 [now 13.20.2.11 NMAC and 13.10.2.12 NMAC], or the pre-licensing apprenticeship training provided for in 13 NMAC 20.2.13 [now 13.20.2.13 NMAC], unless the pre-licensing education requirement is waived by the superintendent;
- (4) submit a written certificate of completion from his sponsoring bail bondsman for on-the-job training or for apprenticeship training, as appropriate; and
- (5) submit a written certificate of completion from an accredited provider for formal pre-licensing classroom education, if applicable.

B. **Authorization to take examination:** Upon receipt of a complete application for examination, the superintendent shall issue written authorization for the applicant to take the required examination.
[1/1/00; Recompiled 11/30/01]

13.20.2.16 SPONSORING BAIL BONDSMEN:

A. **Certification:**

(1) **Application:** A bail bondsman seeking to be certified as a sponsoring bail bondsman shall file an application with the superintendent on a form prescribed by the superintendent.

(2) **Qualifications:** The superintendent may certify a person as a sponsoring bail bondsman if the person:

- (a) is a licensed bail bondsman in good standing in this state or elsewhere;
- (b) has been actively engaged in the bail bond business in this state or elsewhere for at least three (3) years;
- (c) has reasonable knowledge of the bail bond business and the laws and rules governing its transaction in New Mexico; and
- (d) has a good business and personal reputation.

(3) **Certificate:** The superintendent shall issue written authorization to act as a sponsoring bail bondsman.

B. **Assignment:** The superintendent may assign a sponsoring bail bondsman to conduct on-the-job training for an applicant for licensure as a bail bondsman.

C. **De-certification:** The superintendent may decertify a sponsoring bail bondsman for:

(1) refusal or failure to conduct on-the-job training for an applicant for licensure as a bail bondsman;
or

(2) failure to continue to meet the qualifications set forth in 13 NMAC 20.2.16.1.2 [now Paragraph (2) of Subsection A of 13.20.2.16 NMAC].

[1/1/00; Recompiled 11/30/01]

13.20.2.17 CONTINUING EDUCATION: Continuing education for bail bondsmen and solicitors shall be provided in accordance with 13 NMAC 4.7 [now 13.4.7 NMAC], Continuing Education Requirements.

[1/1/00; Recompiled 11/30/01]

13.20.2.18 RESPONSIBILITIES OF BAIL BONDSMEN:

A. **Permanent street address of place of business:** Every bail bondsman shall have and maintain in this state a place of business accessible to the public where the bail bondsman principally conducts bail bond transactions. The permanent street address of such place shall appear upon the bail bondsman's license, and the bail bondsman shall notify the superintendent in writing within fifteen (15) days of any change of address. Nothing in this paragraph shall prohibit the bail bondsman from maintaining his place of business in his residence in this state.

B. **Display of licenses:** The licenses of the bail bondsman and the solicitors employed by him shall be conspicuously displayed in a part of the place of business customarily open to the public.

C. **Allowable charges:** A bail bondsman shall not accept any charges, fees, reimbursement or other remuneration except as provided in the approved rate filing of the surety insurer or the approved schedule of charges and rating plan of the property bondsman.

D. **Receipt for premium required:** A bail bondsman shall issue a receipt for premium collected that includes the following information:

- (1) the name and address of the bail bondsman or solicitor collecting premium;
- (2) the face amount of the bond;
- (3) the date bond was posted;
- (4) the defendant's name, address, date of birth, and social security number;
- (5) the charges against the defendant;
- (6) the date of the defendant's release;
- (7) the date and time the defendant is required to appear;
- (8) the case number;
- (9) the name and address of the court at which the defendant must appear; and
- (10) the signature of the defendant or principal acknowledging delivery of the receipt for premium.

E. **Payment by credit card:** A bail bondsman may accept payment by credit card as long as the fee charged by the credit card company is not passed on to the client.

F. **In relation to solicitors:**

(1) A bail bondsman shall maintain all records of his solicitors' bail bond transactions in his principal place of business, provided that a bail bondsman:

(a) may collect the records of solicitors not working out of the bail bondsman's principal place of business monthly; and

(b) shall make all records of bail bond transactions made pursuant to his license available for inspection at his principal place of business within forty-eight (48) hours of a request from the superintendent.

(2) When the employment relationship between a bail bondsman and solicitor ceases as a result of either discharge or resignation, the bail bondsman shall terminate the appointment as prescribed in Section 59A-51-12B NMSA 1978.

[1/1/00; Recompiled 11/30/01]

13.20.2.19 RESPONSIBILITIES OF SOLICITORS:

A. The transactions of a solicitor under a solicitor's license shall be in the name of the employer bail bondsman.

B. A solicitor shall maintain records of his bail bond transactions.

C. A solicitor may notify the superintendent and the employer bail bondsman when he ceases employment as a solicitor.

[1/1/00; Recompiled 11/30/01]

13.20.2.20 EVIDENCE OF LICENSE AND EMPLOYMENT:

A. When posting a bail bond, a bail bondsman or solicitor transacting bail bond business in New Mexico must show that he has a valid license issued by the superintendent.

B. When countersigning bonds for another bail bondsman, a bail bondsman must show proof that he is employed by the authorizing bail bondsman.
[1/1/00; Recompiled 11/30/01]

13.20.2.21 COLLATERAL SECURITY OR OTHER INDEMNITY:

A. **Permissible forms:** Collateral security may be in the form of cash or negotiable instruments, a mortgage on real property, personal property, or a lien on personal property.

B. **Receipt required:** A bail bondsman shall issue a receipt for collateral security deposited with him or her that includes the following information:

- (1) the depositor's name, address, social security number and date of birth;
- (2) the defendant's name;
- (3) a description and the actual or estimated value of the collateral security deposited;
- (4) the printed name and the signature of the person receiving deposited collateral security; and
- (5) an acknowledgement that collateral security has been returned to the depositor, the date returned, and to whom.

C. **Reasonable amount:** A bail bondsman may not require or accept collateral security or other indemnity that exceeds one hundred percent (100%) of the amount of the bond, provided that any portion of collateral received as cash or a negotiable instrument shall not exceed eighty percent (80%) of the amount of the bond.

D. **Return of collateral:** A bail bondsman shall return any collateral not forfeited to a court to the client within ten (10) days of final termination of liability on the bond, as evidenced by receipt of the judgment and sentence in the case, a certificate of discharge, or an order releasing the bond. The client may retrieve the collateral at the bail bondsman's place of business or the bail bondsman may deliver the collateral to the client in a manner or at a location agreeable to the client. A bail bondsman shall not use collateral to pay for expenses of recovering a defendant who fails to appear.

E. **Unclaimed collateral:** A bail bondsman shall maintain and dispose of any unclaimed collateral in accordance with the Uniform Unclaimed Property Act, Sections 7-8A-1 NMSA 1978 et seq.
[1/1/00; Recompiled 11/30/01]

13.20.2.22 RECORDS OF OPERATIONS: Every bail bondsman shall keep the records required by 13 NMAC 20.2.22.1 and 20.2.22.2 [now Subsections A and B of 13.20.2.22 NMAC] for at least three (3) years after final termination of liability on the bond and the records required by 13 NMAC 20.2.22.3 [now Subsection C of 13.20.2.22 NMAC] for at least five (5) years after final termination of liability on the bond.

A. **Bail bond transactions:** The record of bail bond transactions shall show:

- (1) the name of the solicitor involved in the transaction, if any;
- (2) the name and address of the defendant;
- (3) the name and address of the person paying the premium for the bail bond;
- (4) the court in which the bail bond was posted;
- (5) the type of bail bond;
- (6) the amount of the premium;
- (7) whether the bond was forfeited.

B. **Receipt and return of collateral security in the form of property:** The record of property received and returned shall show:

- (1) the date the property was received;
- (2) the name and address of the person from whom the property was received;
- (3) a description of the collateral;
- (4) the estimated value of the collateral; and
- (5) the date the property was returned.

C. **Receipt and return of collateral security in the form of cash or negotiable instruments:** Cash and negotiable instruments received as collateral security shall be deposited in one or more trust accounts maintained for that purpose. The record of trust accounts shall show:

- (1) the date the cash or negotiable instrument was received;
- (2) the amount of the cash or negotiable instrument received;
- (3) the name and address of the person from whom the cash or negotiable instrument was received;
- (4) the name and address of the financial institution maintaining the trust account;

- (5) the date of each disbursement;
- (6) the amount of each disbursement;
- (7) the name of the person to whom the disbursement was made; and
- (8) the reason for the disbursement.

[1/1/00; Recompiled 11/30/01]

13.20.2.23 PROPERTY BONDSMAN'S SCHEDULE OF CHARGES AND RATING PLAN: Every property bondsman shall file with the superintendent for prior approval on or before April 30, 2000, and whenever he seeks a change in rates, a schedule of charges and rating plan that conforms to the requirements of this section. The superintendent may, if he deems it necessary to evaluate the proposed rates, require the property bondman to submit audited financial statements under oath prepared in accordance with the instructions and schedules prescribed in 13 NMAC 20.2.24 through 20.2.33 [now 13.20.2.24 NMAC through 13.20.2.33 NMAC]. The schedule of charges and rating plan shall meet the following requirements:

- A. Rates shall not be excessive, inadequate, or unfairly discriminatory.
- B. Rates shall be based on the revenues, forfeiture experience and expenses of the property bondsman. Expenses shall include the costs of recovering defendants who fail to appear.
- C. The schedule of charges shall state the premiums to be charged for bail bonds and may state a minimum premium.
- D. The schedule of charges and rating plan shall include a written acknowledgment that the property bondsman will charge neither more nor less than the rates approved by the superintendent.
- E. The proposed schedule of charges and rating plan shall not go into effect until approved by the superintendent in writing.
- F. The approved schedule of charges and rating plan shall be:
 - (1) posted in a conspicuous place in the bail bondsman's place of business;
 - (2) available for public inspection in the offices of the superintendent; and
 - (3) provided to any court upon request.

[1/1/00; Recompiled 11/30/01]

13.20.2.24 INSTRUCTIONS FOR PREPARING FINANCIAL STATEMENT:

A. General instructions:

- (1) Property bondsmen shall complete all parts of the financial statement. If a property bondsman operates multiple offices under a single property bondsman's license, the operations of all offices should be combined in one financial statement.
- (2) The insurance division shall make available a diskette containing the required schedules in EXCEL 3.0 and LOTUS WK1 formats. Property bondsmen are requested to complete the schedules in electronic format and to file both a diskette and a printed copy whenever possible.

B. Types of agency operations and allocation methods:

- (1) Property bail bond operations refers to that part of the business which involves posting property bonds. It includes costs of operating the business, handling collateral, recovering defendants who fail to appear, and paying forfeitures. Costs incurred in expectation of posting a property bond should be included in this column even if the bond is not ultimately posted.
- (2) Surety bail bond operations refers to that part of the business which involves posting property bonds. It includes costs of operating the business, handling collateral, recovering defendants who fail to appear, and paying forfeitures. Costs incurred in expectation of posting a property bond should be included in this column even if the bond is not ultimately posted.
- (3) Other non-bond operations refers to business activities other than bail bond operations which are conducted by the property bondsmen under the same company name used for bail bond operations, involve the shared use of assets or shared overhead expenses, and for which income and expenses are reported as consolidated or combined on internal financial statements and on tax returns.

C. Schedule A, Income:

- (1) Line 1, Premiums: Include here 100 percent (100%) of the amount charged for bail bonds or other services you provide. Include premiums owed to you but not yet collected. Include both your portion of the premium as well as that portion remitted or to be remitted to the surety insurer, if applicable.
- (2) Line 2, Premiums remitted to insurer: Include here that portion of the premiums written during the calendar year remitted to or owed to the surety insurer you represent. This line does not apply to property bonds.

- (3) Line 3, Premiums retained by bondsman: Include here that portion of premiums written during the calendar year retained by or owed to you.
- (4) Line 4, Amounts received from another bondsman: Include here amounts collected for posting bail bonds on behalf of other bail bondsmen.
- (5) Line 5, Interest, dividends, royalties, and rents: Record this revenue in accordance with IRS rules.
- (6) Line 6, Capital gains (or losses): Do not include forfeitures as losses; report them on Line 10.
- (7) Line 7, Other income: Report other income not otherwise classified. Include here amounts collected from customers as reimbursement for services provided by a third party and report the related expense under the appropriate category. Alternatively, you may report only the net income (loss) for those expenses and fees that have been passed through to customers.
- (8) Line 8, Total income: This amount should equal the sum of items 3 through 7. Treat gray boxes as zero.

D. **Schedule A, Expenses:** Each expense should be allocated separately. Expenses do not necessarily have to be allocated to all three columns; if an expense is only applicable to two operations, it should be allocated only to those two operations. If you can determine the exact expense for each operation, you should allocate it directly; if not, you may make reasonable allocations. In the last column, identify the expense allocation method used.

- (1) Line 9, Amounts paid to another bondsman: Include amounts paid to another bail bondsman for posting bail bonds on your behalf.
- (2) Line 10, Forfeitures and forfeiture expenses incurred: Include forfeitures and forfeiture expenses for each type of bail bond operation. Forfeiture expenses include legal costs, court costs, investigation costs, apprehension costs and other expenses incurred to recover a defendant who fails to appear.
- (3) Line 11, Compensation – owners: Include salaries, bonuses, other compensation, and draws paid to the property bondsman and owners of the business.
- (4) Line 12, Compensation – employees: Include salaries, bonuses, other compensation, and draws paid to solicitors and other employees; use IRS rules. For employees assigned to work for more than one operation, allocate salaries based on the percentage of time devoted to each operation.
- (5) Lines 13 to 27: Itemize expenses using IRS rules. Allocate rent or other occupancy costs on a square footage basis.
- (6) Line 28, Total expenses: This amount should equal the sum of items 9 through 27. Treat gray boxes as zero.
- (7) Line 29, Profit or loss: Subtract the amount of total expenses shown on Line 28 from the amount of total income shown on Line 8. This is your net profit/(loss) before income tax.
- (8) Lines 30 to 34, Exclusions: Include here amounts paid for charitable contributions, penalties and fines, political contributions and lobbying costs, and state and federal income taxes.

E. **Other schedules:**

- (1) Schedule B, Salaries and bonuses: Itemize amounts paid to each director, proprietor, partner, manager, solicitor and employee.
- (2) Schedule C, Forfeitures and forfeiture expenses: Summarize forfeitures and forfeiture expenses on property bonds.
- (3) Schedule D, Recovery of collateral: Summarize amounts recovered from collateral security or other indemnity on forfeited property bonds.
- (4) Schedule E, Property bond count: Record the number and total face amount of property bonds posted.
- (5) Schedule F, Fiscal year to calendar year reconciliation: Prepare this schedule only if you do not file federal income taxes on a calendar year basis.
- (6) Schedule G, Reconciliation to income taxes: Use this schedule to reconcile the net income (total profit) from your property bondsman's financial statement with book income and taxable income. You need a current set of books to prepare this schedule. Prepare this schedule even if your tax return is not available because you have filed for extensions. Property bondsmen who file fiscal year tax returns should use their latest filed tax return and make fiscal year adjustments on the worksheet at the bottom of schedule F.

[1/1/00; Recompiled 11/30/01]

13.20.2.25 SCHEDULE A - INCOME STATEMENT:

PROPERTY BONDSMAN'S FINANCIAL STATEMENT						
SCHEDULE A - INCOME STATEMENT						
For the Calendar Year Ending December 31, _____						
	Federal Employer Identification Number					
	New Mexico CRS Identification Number					
	Agency					
	Address					
	City					
	Contact Person					
	Telephone Number					
		Property Bail Bond Operation s	Surety Bail Bond Operation s	Other Non-Bond Operation s	Total	Allocation Method
	INCOME					
1	Premiums					
2	Premiums Remitted To Insurer					
3	Premiums Retained By Bondsman (1) - (2)					
4	Amounts Received From Another Bondsman					
5	Interest, Dividends, Royalties, And Rents					
6	Capital Gains (or Losses) (but not forfeitures)					
7	Other Income					
8	TOTAL INCOME Sum (3) to (7)					
	EXPENSES					
9	Amounts Paid To Another Bondsman					
10	Forfeitures and Forfeiture Expenses Incurred					
11	Compensation - Owners					
12	Compensation - Employees					
13	Pension - Owners					
14	Pension - Employees					
15	Employee Benefits					
16	Repairs and Maintenance					
17	Bad Debts (Non-Forfeiture)					
18	Rent Expenses					
19	Premium Taxes, Gross Receipts, and License Fees					
20	Interest Expenses					
21	Depreciation					
22	Advertising					
23	Meals and Entertainment					
24	Insurance					
25	Outside Services (Lawyers, Accountants, etc)					
26	Travel					
27	All Other Expenses					
28	TOTAL EXPENSES Sum (9) to (27)					
	PROFIT (OR LOSS)					

29	Net Profit or (Loss) = (8) - (28)					
	EXCLUSIONS					
30	Charitable Contributions					
31	Penalties and Fines					
32	Political Contributions and Lobbying Costs					
33	State Income Tax					
34	Federal Income Tax					
	NON-BOND OPERATIONS					
	"Non-Bond" Operations are those operations not customarily needed to operate a bail bond agency. Please identify the nature of "non-bond" operations (e.g., bookkeeping, real estate, insurance, etc.).					
	Allocation methods: DIR=direct; INC=income; SAL=salaries; FOT=square footage; OTH=other					

[1/1/00; Recompiled 11/30/01]

13.20.2.26 SCHEDULE B - SALARIES AND BONUSES:

PROPERTY BONDSMAN'S FINANCIAL STATEMENT					
SCHEDULE B - SALARIES AND BONUSES					
For the Calendar Year Ending December 31,					
AGENCY:	SALARY	BONUS	OTHER	TOTAL	HOURS
Director's Fees					
1					
2					
3					
4					
5					
6					
7					
Each Proprietor or Partner					
1					
2					
3					
4					
5					
Each Manager/CEO					
1					
2					
3					
4					
5					
Each Employees Paid \$80,000 or More Annually (list separately)					

1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
Employees Paid Less Than \$80,000 Annually					
all combined					
Grand Total					
all combined					
Schedule A Totals					
Difference Between Grand Total and Schedule A Total (Should Equal Zero)					

[1/1/00; Recompiled 11/30/01]

13.20.2.27 SCHEDULE C - FORFEITURES AND FORFEITURE EXPENSES:

PROPERTY BONDSMAN'S FINANCIAL STATEMENT SCHEDULE C - FORFEITURE AND FORFEITURE EXPENSES For the Calendar Year Ending December 31,		
REPORT PROPERTY BONDS ONLY		
AGENCY:		
1	Number of Bonds Forfeited During Current Year	
2	Total Amount Paid to Courts on Forfeited Bonds	
3	Forfeiture Expenses	
4	Amount Recovered From Collateral (from Schedule D)	
5	Net Forfeitures and Forfeiture Expenses Paid = (2) + (3) - (4)	
6	Amount from Schedule A, line 10	
	Difference Between Line 5 and Line 6 (Should Be Zero)	

[1/1/00; Recompiled 11/30/01]

13.20.2.28 SCHEDULE D - RECOVERY OF COLLATERAL:

PROPERTY BONDSMAN'S FINANCIAL STATEMENT SCHEDULE D -RECOVERY OF COLLATERAL For the Calendar Year Ending December 31, ____	
AGENCY:	

REPORT AMOUNTS OF COLLATERAL REALIZED BY PROPERTY BONDSMAN UPON FORFEITURE OF PROPERTY BONDS ONLY		
1	Amount of Cash Collateral and Negotiable Instruments Kept During Current Year	
2	Amount Kept from Sale of Property Collateral During Current Year	
3	Estimate of Cash to be Kept from Sale of Collateral Not Sold at End of Current Year	
4	Estimate of Cash to be Kept from Sale of Collateral Not Sold at End of Prior Year	
5	Amount Recovered from Collateral (1) + (2) + (3) - (4)	
6	Amount from Schedule C, line 2	
	Difference Between Line 5 and Line 6 (Should Be Zero)	

[1/1/00; Recompiled 11/30/01]

13.20.2.29 SCHEDULE E - PROPERTY BOND COUNT:

PROPERTY BONDSMAN'S FINANCIAL STATEMENT SCHEDULE E -PROPERTY BOND COUNT For the Calendar Year Ending December 31, _____		
	AGENCY:	
1	Number of Bonds Posted	
2	Total Face Amount of Bonds Posted	
3	Total Premiums Collected - Schedule A line 1	
4	Average Premium per Bond (3) / (1)	
5	Average Percentage Rate (3) / (2)	

[1/1/00; Recompiled 11/30/01]

13.20.2.30 SCHEDULE F - FISCAL YEAR TO CALENDAR YEAR RECONCILIATION:

PROPERTY BONDSMAN'S FINANCIAL STATEMENT SCHEDULE F -FISCAL YEAR TO CALENDAR YEAR RECONCILIATION For the Calendar Year Ending December 31, _____					
	AGENCY:				
	Fiscal Year Beginning Date:				
	Fiscal Year Ending Date:				
		Fiscal Year Financial Statement	Less: Months Prior to Calendar Year Financial Statement	Plus: Months After Fiscal Year	Total
1	Revenue				
2	Expense				
3	Net Income				

[1/1/00; Recompiled 11/30/01]

13.20.2.31 SCHEDULE G - RECONCILIATION TO INCOME TAXES:

PROPERTY BONDSMAN'S FINANCIAL STATEMENT SCHEDULE G - RECONCILIATION TO INCOME TAXES For the Calendar Year Ending December 31, _____					
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		AGENCY:		
1		Net Income per Schedule A, Line 29, Total Column		
2		Fiscal Year End Adjustment		
	A	Fiscal Year on Last Tax Return:		
		Beginning Date:		
		Ending Date:		
	B	Income in this Fiscal Year Not Included on this Financial Statement		
	C	Income on this Financial Statement in the Fiscal Year Shown Above		
	D	Net Adjustment =(2b) - (2c)		
3		Consolidated Entities Adjustment Income (Loss) for Other Entities Consolidated on the Tax Return Described in 2a		
4		Adjustments for Book Income		
	a	Charitable Contributions		
	b	Penalties		
	c	Depreciation		
	d	Income Tax Expense		
	e	Interest Expense		
	f	Other		
	g	Total (sum of 4a through 4f)		
5		Book Income (Line 1 adjusted by Lines 2d, 3, and 4g)		
6		Book and Tax Adjustments		
	a	Depreciation		
	b	50% of Meals and Entertainment		
	c	Carryovers/Carrybacks		
	d	Capital Gains/Losses		
	e	Tax Exempt Income		
	f	Other		
	g	Total (sum of 6a through 6f)		
7		Taxable Income (Line 5 adjusted by Line 6g)		

[1/1/00; Recompiled 11/30/01]

13.20.2.32 AFFIDAVIT:

**PROPERTY BONDSMAN'S FINANCIAL STATEMENT
For The Calendar Year Ending December 31, _____**

AFFIDAVIT

STATE OF _____
COUNTY OF _____

I, _____, the (position) _____ of
(Name of Agency) _____, being duly sworn,
deposes and says that on the 31st day of December last, all of the above-described income and expenses of the
named Company submitted herewith, together with any necessary related exhibits, schedules and explanations
herein contained, annexed or referred to are a full and true statement of income and expenses in accordance with the
instructions provided for the year ended on that date, according to the best of my information, knowledge and belief.

Signature

SUBSCRIBED AND SWORN TO BEFORE ME this _____ day of _____, _____.

Notary Public

My Commission Expires _____

Name of Preparer (please print)

Signature of Preparer

Contact person and phone number
[1/1/00; Recompiled 11/30/01]

13.20.2.33 INDEPENDENT AUDITOR'S REPORT:

**PROPERTY BONDSMAN'S FINANCIAL STATEMENT
For The Calendar Year Ending December 31, _____**

INDEPENDENT AUDITOR'S REPORT

We (I) have audited the accompanying Financial Statement of the (Name of Agency)
_____ for the year ended December 31, _____. This statement is the responsibility of the
Company's management. Our responsibility is to express an opinion on these schedules based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we
plan and perform the audit to obtain reasonable assurance about whether the statement is free of material
misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the
statement. An audit also includes assessing the accounting principles used and significant estimates made by
management, as well as evaluating the overall presentation. We believe that our audit provides a reasonable basis
for our opinion.

This statement was prepared in conformity with the accounting practices prescribed or permitted by the State of
New Mexico Insurance Division, which is a comprehensive basis of accounting other than generally accepted
accounting principles.

In our opinion, the statement referred to above presents fairly, in all material respects, the information required by
the New Mexico Insurance Division of the (Name of Agency) _____ for the
year ended December 31, _____, on the basis of the accounting practices described above.

This report is intended solely for the information and use of the board of directors and management of the (Name of Agency) _____ and for filing with the New Mexico Insurance Division and should not be used for any other purpose.

Name of CPA and/or Firm: _____

By: _____ (Principal)

[1/1/00; Recompiled 11/30/01]

HISTORY OF 13.20.2 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center: INS Rule 79-1, Regulations Governing The Licensing Of Bail Bondsmen And Surety Bondsmen, filed 10/17/79.

History of Repealed Material:

13 NMAC 20.2, Licensing Property and Surety Bondsmen, was repealed effective December 31, 1999 and re-promulgated as 13 NMAC 20.2, Bail Bondsmen and Solicitors, effective January 1, 2000.