

Day 1 Study Exam

General Information, Licensing & Appointments, Criminal Justice System, Privacy Protection

Caution: Wording of the questions and answers on the state exam will differ from this study exam. The questions and answers below reflect the topics and codes prescribed by CCR 2105.2 Bail Pre-licensing Education curriculum.

1. The reason for the bail system is:

- a) To insure the appearance of the arrestee to appear on the court appointed date.
- b) To insure the arrestee accepts the judgments of the court.
- c) To insure the arrestee takes responsibility for the dates and judgments of the court.
- d) None of the above.

2. Definition of a bond is:

- a) Any form used by a surety.
- b) Any form used by a bondsman.
- c) Any form used by an attorney.
- d) None of the above.

3. How long must a licensed bail agent keep their records?

- a) 3 years.
- b) 5 years from the last transaction.
- c) Until the Department of Insurance comes to inspect.
- d) None of the above.

4. A bail solicitor may transact under:

- a) His employers own or approved fictitious name.
- b) His employers and his own approved fictitious business name.
- c) His own or approved fictitious name.
- d) None of above.

5. Bail license renewal for licenses issued after January 1, 2011 will be due:

- a) Two years after the last calendar day of the month in which the initial license was issued.
- b) One year after the last calendar day of the month in which the initial license was issued.
- c) Four years after the last calendar day of the month in which the initial license was issued.
- d) None of the above.

6. Who can be a surety?

- a) Any licensed bondsman.
- b) Property and Casualty insurance company.
- c) Any natural person.
- d) All of the above.

7. What does "transact" include when applied to bail?

- a) Solicitation
- b) Negotiations preliminary to execution
- c) Transaction of matters subsequent to execution of the contract and arising out of it
- d) All of the above

8. A license may be held by a corporation, in which the following requirements shall be met:

- a) One hundred percent of the shares of corporation shall be held by licensed bail agents.
- b) All shareholders, officers, and directors of the corporation shall be licensed bail agents.
- c) Any sale or transfer of stock or other interest in the corporation shall require prior approval of the Department of Insurance.
- d) All of the above

9. Can a bail agent receive rebates from another bail agent?

- a) Yes, if they have a written agreement
- b) Yes, if approved by the commissioner
- c) No, never
- d) No, unless it is approved by the commissioner

10. Every County Clerk must know the names and license numbers of all bail agents. Where do they receive this information?

- a) Off the internet
- b) From the Jailor
- c) The Insurance Commissioner automatically provides the information
- d) All of the above.

- 11. If you are a retired police officer from Los Angeles County and you want to become a bail agent, you may;**
- Obtain an unrestricted license
 - Obtain a restricted license if evidence satisfactorily is given to the commissioner that bail business will be conducted in a county other than where you were employed.
 - Obtain permission from the Department of Insurance
 - None of the above
- 12. If two people want to be partners in a bail business but one partner is not a licensed bail agent;**
- The licensed agent must own 51% of the business
 - All partners must be licensed
 - The non-licensed partner can not have an active or controlling interest in the business
 - All of the above
- 13. You plan to use a fictitious business name for your bail agency; who must approve the name?**
- City in which you are doing business
 - County in which you are doing business
 - Department of Insurance Commissioner
 - All of the above
- 14. Where does a bail agent keep his/her identification?**
- On their person at all times
 - In the glove compartment of their vehicle
 - In their office
 - None of the above
- 15. What size bond is required for a bail agent or bail solicitor:**
- \$10,000
 - \$5,000
 - \$2,500
 - \$1,000
- 16. Which of the following agent(s) are permitted to issue Immigration Bonds:**
- Bail Bond Agents
 - Federal Agents
 - Fire and Casualty Agents
 - Property and Casualty Agents
- 17. Federal law (Title 18 United States Code Section 1033) prohibits anyone who has been convicted of a felony involving dishonesty or a breach of trust from conducting the business of insurance unless they have obtained:**
- A written consent of the Insurance Commissioner
 - A written statement from the Court stating the conviction was expunged or discharged
 - A written consent from the Attorney General
 - None of the Above
- 18. Notice to the Insurance Commissioner of any change in stockholders, officers or directors for a corporation is required:**
- Within 10 days of change(s)
 - Only when requested by the department
 - Prior to change(s)
 - Within 15 days of change(s)
- 19. If a bail solicitor is to work for two or more bail licensees who are members of a partnership:**
- A separate Action Notice Statement from each employer and an additional filing fee for each is required
 - A bail solicitor may not work for a partnership
 - A separate Action Notice Statement from each partner is required
 - Only one Action Notice Statement is required
- 20. A Bail licensee may aid an attorney under what circumstances:**
- Bail licensee may furnish forms for or aid an attorney in negotiating an assignment
 - Bail licensee may upon release of collateral, honor an assignment to an attorney if the licensee took no part in the negotiation of such assignment
 - Bail licensee may accept, collect or transmit to an attorney any money or other item of value for attorney's fees
 - All of the above

21. **The Insurance Commissioner may issue a temporary license to the executor or administrator of the estate of a deceased holder of a bail agent's license pending the disposal of the business for a period of:**
- 6 months
 - 12 months
 - 18 months
 - 24 months
22. **With regard to bail licensees, the Insurance Commissioner may;**
- Suspend or revoke any bail license for any cause for which denies such license
 - Not revoke a license without first granting a hearing upon reasonable notice to the applicant
 - Temporarily suspend the license for up to 15 days pending a hearing
 - A, B, and C are all true
23. **The California Insurance Code;**
- Prohibits the Insurance Commissioner from making rules for the enforcement of the insurance code
 - Give the Insurance Commissioner the authority to make reasonable rules that are necessary and viable or convenient for the administration and enforcement of the penal code
 - Prohibits cities and counties from enacting regulations concerning any subject covered in the bail section of the insurance code
 - Gives the Insurance Commissioner the authority to make reasonable rules that are necessary, advisable, or convenient for the administration and enforcement of the insurance code
24. **In a bail corporation, what percent of the stock/shares shall be held by licensed agents: (select the correct answer)**
- 50%
 - 75%
 - 100%
 - None of the above
25. **The purpose of the insurance codes requiring professional standards of conduct on the part of all persons licensed is: (select the correct answer)**
- To protect the licensed agent.
 - To protect the public.
 - To protect the department of insurance.
 - To protect defendants and indemnitors.
26. **Any person who transacts insurance without a valid license is guilty of: (select the most correct answer)**
- A felony punishable by a fine not exceeding \$50,000 or by imprisonment in a county jail for a period not exceeding one year, or by both that fine and imprisonment.
 - A misdemeanor punishable by a fine not exceeding \$10,000 or by imprisonment in a county jail for a period not exceeding one year, or by both that fine and imprisonment.
 - A misdemeanor punishable by a fine not exceeding \$50,000 or by imprisonment in a county jail for a period not exceeding one year, or by both that fine and imprisonment.
 - A felony punishable by a fine not exceeding \$10,000 or by imprisonment in a county jail for a period not exceeding two years, or by both that fine and imprisonment.
27. **Compensating any person incarcerated in a jail or other place of detention for the purpose of that person soliciting bail on behalf of the bail agent is: (select the most correct answer)**
- a felony
 - a misdemeanor
 - an infraction
 - a good marketing strategy
28. **While on vacation in New York, you were arrested and convicted of possession of a controlled substance. The charges were reduced to a misdemeanor. Since the conviction changes the background information you provided the California Department of Insurance, are you required to notify CDI as the conviction was in New York? (select the correct answer)**
- No, it happened in New York and you're already licensed. The commissioner doesn't need to know.
 - Yes, notification must be sent to the commissioner in writing within 30 days of change.
 - Yes, notification must be sent to the commissioner in writing within 60 days of change.
 - No, you are appealing the conviction.

29. Your bail bond agency has developed a new advertising campaign and will be issuing new business cards to your agents. What must be included on all your new business cards, brochures and yellow page ads?: (select the correct answer)
- the words "Bail Agent"
 - the words "Surety Bond"
 - the word "Insurance"
 - the word "Bonded"
30. Upon the filing of an application for a license, an investigation, supplementary documents, affidavits and statements may be necessary to determine whether the prerequisites for the license have been met. The request for additional information may be made by: (select the correct answer)
- The State Governor
 - The Department of Justice
 - The Insurance Commissioner
 - The Secretary of State
31. License applicants who willfully cheat or subvert a license examination will be in violation of the law as per section 1681.5 of the California Insurance Code and are punishable by a fine not to exceed: (select the correct answer)
- \$10,000.00 or imprisonment not to exceed one year
 - \$ 1,000.00 or imprisonment not to exceed six months
 - \$ 5,000.00 or imprisonment not to exceed one year
 - \$10,000.00 or imprisonment not to exceed six months**
32. The Insurance Commissioner can bar a bail applicant caught willfully cheating on the bail examination from taking any license examination and from holding an active license under any provision of California Insurance Code section 1681.5 for a period of: (select the correct answer)
- One year
 - Forever
 - Three years
 - Five years
33. Some offenses that constitute cheating on the license examination which are punishable by a fine or imprisonment are: (select the correct answer)
- Using false identification for admittance to examination
 - Reviewing study material in the restroom during the course of the examination
 - Any contact with another individual during a restroom or drink break
 - All of the above
34. The commissioner shall certify the names of holders of bail agents' and bail permittees' licenses and their solicitors to every county clerk of the state, together with their license numbers and any other information in respect to the persons as he or she considers advisable. The county clerk shall retain these records for a period of: (select the correct answer)
- 2 years
 - 5 years
 - 7 years
 - 10 years
35. Every licensee and applicant shall promptly reply in writing to an inquiry from the commissioner relative to an application for, or the retention or renewal of, a license, or an investigation relating to a consumer complaint or a matter relating to a producer licensing background change reporting requirement.
Promptly reply means to provide a written response to the inquiry that is received by the commissioner no later than _____ after the date in inquiry was mailed or otherwise communicated to the applicant or licensee. (fill in the blank)
- 30 days
 - 21 days
 - 60 days
 - 180 days
36. Personal or privileged information about an individual collected or received in connection with an insurance transaction shall not be disclosed, unless the disclosure is: (select the correct answer)
- The disclosure is with the written authorization of the individual and if the authorization is submitted by another insurance institution.

- b) The disclosure is to an agent to detect or prevent criminal activity, fraud, material misrepresentation or material nondisclosure in connection with insurance transactions.
- c) The disclosure is to a law enforcement or other governmental authority pursuant to law.
- d) All of the above.

37. A managing General Agent has the power to:

- a) Appoint, supervise, and terminate the appointment of local agents in that territory.
- b) Maintain fiduciary funds in a personal account.
- c) Keep premium moneys collected from agents.
- d) Authorize an Indemnitor premium payment plan.

38. Solicitation of an arrestee shall be only after a bona fide request for bail services has been received from the arrestee, the arrestee's attorney, an adult member of arrestee's immediate family, or a person the arrestee designates in writing. Unless the bail licensee is directly and specifically authorized in writing by the arrestee to make a solicitation at a specific time, solicitation shall be only between the hours of:

- a) 7:00am and 11:00pm
- b) 7:00am and midnight
- c) 8:00am and 11:00pm
- d) 9:00am and midnight

39. A person who is licensed in California as an insurance agent advertising on the internet, shall identify the following information on the internet:

- a) His or her name as it appears on his or her insurance license, and any fictitious name approved by the commissioner.
- b) The state of his or her domicile and principle place of business.
- c) His or her license number.
- d) All of the above.

40. Upon failure to file an application for license renewal, the license shall expire on the first day of the next month. Within twelve months of initial expiration, to reactive the expired license, the holder may:

- a) File a new application and remit twice the application fee until that same month and day of the next succeeding year.
- b) Remit twice the application fee until the same month and day of the next succeeding year.
- c) File a new application and remit renewal fee until the same month and day of the next year.
- d) Remit twice the renewal fee until the same month and day of the next succeeding year.

41. Any person found guilty of cheating on the bail license examination is:

- a) Guilty of a misdemeanor punishable by a fine not exceeding ten thousand dollars (\$10,000) or by imprisonment in a county jail not exceeding one year.
- b) Barred from taking any license examination for a period of five years.
- c) Guilty of a misdemeanor punishable by a fine not exceeding five thousand dollars (\$5,000) or by imprisonment in a county jail not exceeding six months.
- d) A and B

42. An Action Notice Statement of Employing Bail Agent or Permittee form (LIC 438) must contain all of the following except:

- a) Rate of Commission
- b) Date of Birth
- c) Date of Employment
- d) Business Address

43. To be eligible to take the bail license examination, the applicant shall have completed a minimum of 20-hours classroom education in subjects pertinent to:

- a) The duties and responsibilities of a bail licensee
- b) All related laws and regulations
- c) Apprehension of bail fugitives
- d) all of the above

44. A licensee shall not be required to comply with the continuing education requirement if the licensee submits proof satisfactory to the Commissioner that he or she has been a licensee in good standing for:

- a) 30 continuous years in California or is 70 years of age or older.
- b) 25 continuous years in California and is 70 years of age or older.
- c) 30 continuous years in California and is 70 years of age or older.
- d) 30 continuous years in any state and is 70 years of age or older.

- 45. All applications for original or renewal bail licenses shall be on forms furnished by the:**
- Commissioner
 - Surety Company
 - General Managing Agent
 - Insurance Website
- 46. An original bail license shall not be issued to any person unless he or she:**
- Satisfies the commissioner that he/she is a person of good business reputation and good general reputation in the community in which he/she intends to principally engage in the transaction of bail.
 - Satisfies the commissioner that he/she is a person of good business reputation and good general reputation in the community or communities in which he/she formerly resided, if he/she has not been a resident of the community in which he/she intends to principally engage in the transaction of bail for a sufficient period of time to establish such reputation.
 - Is 18 or more years of age.
 - All of the above.
- 47. Failure of an employing bail agent or permittee to exercise a reasonable degree of supervision over his/her employees and make a reasonable effort to keep informed of the acts of his/her employees may result in:**
- Revocation of the employer's bail license.
 - Disciplinary action against the employer.
 - Revocation of the employee's bail license.
 - A financial penalty against the employer.
- 48. No bail licensee shall directly or indirectly permit any person on his/her behalf to solicit, negotiate, or effect undertakings of bail unless:**
- The person is properly licensed by the commissioner to perform such acts.
 - The person is acting in a purely mechanical or ministerial manner.
 - The person renders his/her services gratuitously.
 - The person is acting as an apprentice.
- 49. No bail licensee shall disclose or reveal any information coming into his/her possession concerning an impending arrest or detention of a person by a law enforcing agency, except:**
- In accordance with the lawful inquiry of a law enforcement or judicial officer.
 - Such information is a matter of public record or knowledge.
 - In accordance with an inquiry of the Insurance Commissioner
 - A and B
- 50. Every person guilty of preparing any false or ante-dated book, paper, record, instrument in writing, or other matter or thing, with intent to produce it, or allow it to be produced for any fraudulent or deceitful purpose, as genuine or true, upon any trial, proceeding, or inquiry whatever, authorized by law, is guilty of:**
- A misdemeanor
 - An infraction
 - A felony
 - None of the above