



National Association of Surety Bond Producers

1140 19th Street, NW. Suite 800. Washington, DC 20036-5104

Phone: (202)686-3700

Fax: (202)686-3656

Web Site: <http://www.nasbp.org>

E-mail: info@nasbp.org

July 25, 2011

Gary Ridley, Director
Oklahoma Department of Transportation
Construction Division
200 N.E. 21st Street
Oklahoma City, OK 73105

Dear Mr. Ridley:

On behalf of the National Association of Surety Bond Producers (NASBP), a national trade association of surety bond producers, whose membership includes licensed resident bond agents and licensed non-resident bond agents in Oklahoma, I am writing you to respectfully request your prompt review of your practices regarding the acceptance of surety bonds. It has come to my attention that your office may be rejecting the submission of bonds, in whole or in part, based on the fact that they are not countersigned by an "Oklahoma Resident Agent." I have included as an exhibit to this letter a copy of instructions which state the following:

"ALL BONDS SIGNED BY OUT OF STATE AGENTS MUST BE COUNTER SIGNED BY AN OKLAHOMA RESIDENT AGENT AND A POWER OF ATTORNEY BY THE CO-SIGNER ATTACHED."

You should note that Oklahoma insurance laws do not contain policy countersignature requirements. You also should note that state statutes mandating resident agent countersignature requirements on insurance policies have been uniformly struck down in court decisions across the United States as such statutes impose requirements that are unconstitutional. All states having such statutes have repealed them as being wholly outdated with respect to modern business practices and at odds with federal constitutional law. On constitutional grounds, licensed nonresident agents must be given the ability to conduct business on substantially equal terms with licensed resident agents.

The practice of your office to require that "ALL BONDS SIGNED BY OUT OF STATE AGENTS" be countersigned by an Oklahoma Resident Agent ensures that licensed nonresident agents are treated unequally in the pursuit of insurance activity. We neither can envision nor are we aware of any justification for such a practice.

NASBP requests your immediate action to review your practices, including your rules and regulations, so that (1) nonresident and resident licensed agents are placed on substantially equal terms and (2) businesses pursuing contract awards with your department will not be unduly

Letter to Gary Ridley

July 25, 2011

Page 2 of 2

hampered or delayed in their ability to conduct business due to misguided rejection of bonds not bearing "resident agent" countersignatures.

NASBP appreciates your attention to this important matter and looks forward to your prompt response.

Sincerely,

A handwritten signature in black ink, reading "Mark H. McCallum". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Mark H. McCallum

CEO

encl.