



State of Connecticut
DIVISION OF CRIMINAL JUSTICE

6354

Testimony of the Division of Criminal Justice
Joint Committee on Insurance and Real Estate – February 19, 2009

In support of:

- **H.B. No. 6354 An Act Regulating Surety Bail Bond Agents**

The Division of Criminal Justice respectfully recommends the Committee's Joint Favorable Report for H.B. No. 6354, An Act Regulating Surety Bail Bond Agents. For several years now the Division has sought to work closely with the General Assembly, the Judicial Branch and the affected agencies in the executive branch to bring about badly needed reform of the bail bond industry. The Insurance Commissioner has been particularly helpful in this regard, but he does not have all of the tools necessary to achieve necessary reform in this industry. H.B. No. 6354 will provide the Commissioner with some of those tools. Passage of this bill would represent a significant step in the attack on the longstanding abuses in this industry.

H.B. No. 6354 builds upon the tremendous amount of work that has been done in past legislative sessions with the strong support of the Division of Criminal Justice, the Commissioner of Public Safety and the Insurance Commissioner. These past endeavors included a comprehensive study undertaken by the Legislative Program Review and Investigations Committee, which issued a lengthy report with many recommendations in December of 2003. Additionally, the Division provided testimony in May of 2007 at a joint forum conducted by the Judiciary, Public Safety and Insurance and Real Estate committees on bail bond reform.

H.B. No. 6354 would constitute a significant step toward reform of the bail bond industry and the regulation of that industry. The Division of Criminal Justice is intricately involved in these matters on two fronts: (1) the role that prosecutors have in the courtroom of interacting with the court, the bail commissioner and the defense counsel in the setting of bonds in criminal cases; and (2) the responsibility assigned to the Division pursuant to Section 51-279b of the General Statutes to collect forfeited bail bonds.

The Division specifically supports the following significant reforms proposed in H.B. No. 6354:

- The addition of a definition of disqualifying offenses to the licensing provisions;
- The addition of a specific provision prohibiting the execution of a bail bond without charging the approved premium and remitting that premium to the insurer.
- The addition of monthly certification to the Insurance Commissioner of compliance with the approved premium rate for each bond written and immediate license suspension for false certification;
- The addition of a requirement that all bondsmen remit the full amount they collect to the insurance company with commissions then paid back to them by the insurer. The current system where bondsmen can take their commissions "up front," has resulted in discounting where bonds are issued at lower rates than allowed by statute. This seriously undermines the underlying intent of the system, which is to assure the appearance of a defendant in a criminal case in court;

- The addition of record keeping requirements and records retention schedules which will facilitate oversight of bail bond agents;
- The creation of a list of prohibited practices addressing the most persistent abuses prevalent in some parts of this industry to provide additional regulatory tools to the Insurance Commissioner. Among the prohibited practices would be:
 - Steering defendants to particular attorneys
 - Soliciting at certain criminal justice facilities
 - Payment of referral fees, premium rebates and the like, and
 - Posting of bonds by agents who have unpaid bonds more than 60 days past the end of the statutory six month stay until the bond is paid;

In conclusion, the Division of Criminal Justice would respectfully recommend the Committee's Joint Favorable Report for H.B. No. 6354, An Act Regulating Surety Bail Bond Agents. The Division would like to thank the Committee for this opportunity to present our input and recommendations and we would be happy to provide any additional information or answer any questions the Committee might have.