



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony

Judiciary Committee

March 24, 2014

Raised Bill No. 5588 AN ACT CONCERNING BAIL BONDS.

Senator Coleman, Representative Fox, and members of the Judiciary Committee, the Insurance Department respectfully opposes section one of **Raised House Bill No. 5588: An Act Concerning Bail Bonds** and asks that this bill be amended to remove this provision. Section 1 extends from 15 to 24 months the time for repayment of a promissory note executed by the principal and indemnitor under a surety bail bond issued as part of a premium financing arrangement.

If this provision were to be enacted into law, the increased time frame would create additional problems for surety bail bond agents when they attempt to collect, given that in 24 months a defendant's case has been over for quite some time in the great majority of the cases. Additionally the extended timeframe would increase the possibility that some unscrupulous bondsmen may be able to use the longer time period to game the system by coming up, for ex., with plausible excuses why they are unable to collect because of the passage of such long time.

The Department thanks the Judiciary Committee Chairs and members for the opportunity to provide this testimony on this bill and once again asks that the collection extension found in Section one be struck from the underlying bill.

About the Connecticut Insurance Department: The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than \$4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry. Each year, the Department returns an average of \$100 million a year to the state General Fund in license fees, premium taxes, fines and other revenue sources to support various state programs, including childhood immunization.

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