

STATEMENT REGARDING R.B. 6734
AN ACT CONCERNING SURETY BAIL BOND AGENTS

MARK MOTUZICK

INSURANCE AND REAL ESTATE COMMITTEE
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Good afternoon Senator Crisco, Representative Megna, and distinguished members of the Insurance and Real Estate Committee. My name is Mark Motuzick and I work for Capitol Bail Bonds. Thank you for the opportunity to provide testimony regarding Raised Bill 6734, An Act Concerning Surety Bail Bond Agents.

As bail bondsmen, we serve a crucial role in the criminal justice system, working to help not only assure that people accused of crimes appear in Court, but also lessening the burden on our overcrowded jails and working with law enforcement to help capture and detain those parties who fail to show up to their Court dates. Raised House Bill No. 6734 would serve to lessen some of the stringent requirements that currently face our industry, while at the same time ensuring that we continue to provide a quality service to the residents of this state. That being said, however, I do have some comments that I would like the Committee to respectfully take into consideration.

I would first like to address Section 1 of the bill. On lines 6 and 7, the bill proposes to increase the downpayment on a premium financing plan from 35% (current law) to 50%. In a perfect world, where people have plenty of money, this increase would be fine for my profession and for my clients. The reality is though that such an increase would disproportionately adversely affect the poorest of the poor. Assume that a kid from Hartford (who is poor) and a kid from a more wealthy suburb each get arrested for the same type of crime and a \$100K bond is placed on each of them. Under the law now, We are required to charge \$7,150 for them to make bond and get out of jail to face their charges. That's a lot of money to come up with so we are also permitted by this statute to take 35% as a downpayment on a financing plan pursuant to this statute. That would amount to \$2,503. The poor kid in an urban area or anywhere else for that matter stands a difficult change to come up with that money. While a kid who has family resources will be able to make that downpayment. Based on my years of experience in this field, raising the downpayment to 35% would unfairly target those people with minimal financial means. For that reason, I am respectfully opposed to the change to 50%.

Next, I would direct your attention to Section 1, lines 10 through 23, Section 1 of the bill. The proposed edits to the existing law are a big step in the right direction. Currently, as you can see, bail bondsmen must file law suits against our clients who get behind on their payments or do not pay us in full within 15 months. This requirement is extremely onerous on the bail bonds industry because it effectively punishes us when a client doesn't pay, requiring us to incur legal fees and costs, despite the fact that those who cannot pay their bills typically have no assets that we could recoup through a law suit. Further, this law suit is unfair to those folks who needed our services, were put on a

payment plan and then subsequently, have fallen on hard times. I have had clients, who at the time they needed to be bonded out had jobs and consistently made consecutive payments for several months. Then they lost their jobs and were unable to make payments. The law requires my company to sue these clients despite the fact I knew that they were out of work had no source of income and no assets. This Section makes it permissive (not mandatory) for us bail bond agents to file lawsuits against our clients. As I said before, this is a big step in the right direction, but I think it would be most fair to completely eliminate the requirement to sue. I know of no other industry that is required to file lawsuits against clients for any reason, let alone if their bills are not paid. The language in this bill is better than the existing statutory language, but I would prefer that the requirement to sue be completely removed from the statutes.

Lastly, I do not object to Section 3 of this bill. It is a good idea to automatically cancel a surety bail bond agent's license if he/she has not paid the annual examination fee by January 31st. My only request is that there be a hearing process afforded to that agent who has paid his/her fee late.

Lastly, I have no objection to Section 4, the Continuing Education component to this bill. I think that the Department of Insurance should conduct a seminar each year explaining how it interprets the law so that the agents are on notice regarding what the law actually is. We have had ever so many interactions with the Department of Insurance in which we have read the law, acted accordingly, and then the Insurance Department tells us that they interpret the law differently than we do.

Thank you very much for giving me the opportunity to testify here today. I am happy to answer any questions that you may have.

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