

BARRY GOVERNMENT CONSULTING, LLC

*202 West Center Street, 1st Floor
Manchester, Connecticut 06040*

RYAN P. BARRY, ESQ.

*TELEPHONE (860) 649-4400
FACSIMILE (860) 645-7900
rbarry@barryandbarall.com*

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

RYAN P. BARRY

**INSURANCE AND REAL ESTATE COMMITTEE
PUBLIC HEARING 2/19/2015**

Good afternoon Senator Crisco, Representative Megna, and distinguished members of the Insurance and Real Estate Committee. My name is Ryan Barry and I represent Accredited Casualty and Surety. Thank you for the opportunity to provide testimony regarding Raised Bill 6734, An Act Concerning Surety Bail Bond Agents.

First, Section 4 of the bill is a good idea. Continuing Education requirements would help the bail bond industry more fully understand the various regulatory requirements imposed upon them by the legislature. As a lawyer who regularly interacts with the Department of Insurance (DOI), I can tell you firsthand that there are often honest disagreements regarding how a particular statutory provision is interpreted. Accordingly, it would be most helpful if the DOI were to have a seminar biannually to explain DOI's interpretation of the many regulatory requirements imposed upon bail bond agents.

Second, in Section 1 (Lines 6-7), I believe that an increase in the minimum downpayment on a premium financing arrangement from 35% to 50% would unfairly hurt the poorest of the poor. An arrestee with financial resources can more easily bond out with 50% down than an arrestee with extremely limited resources. Even arrestees who have considerable financial resources opt for premium financing plans because they need to have money to hire a lawyer and other professionals (e.g., psychiatrists, psychologists, gun shot residue experts, polygraphs). Therefore, there are reasons why, even those arrestees with some financial resources would not pay the entire amount of the bond and would opt for the financing plan. Those arrestees who barely have enough money for the 35% down with no money left over for a lawyer and certainly no money to hire experts, are disproportionately affected in an adverse way.

Third, in Section 1 (Lines 10-23), making it permissive rather than mandatory for a surety or bail bond agent to file suit when an arrestee and/or their indemnitor is in arrears or has not paid the bond in full by the 15 month deadline is a big step in the right direction. I know of no other part of the law where a party is required by the government to file a lawsuit against another party. It belies the policy goal of decreasing litigiousness, thereby helping to unclog our already overburdened court system. Furthermore, every time a bail bond agency has to file a lawsuit, it has to hire a lawyer because companies can't be self-represented in our state courts. This is unduly burdensome and extremely costly to sureties and bail bond agents.

Finally, under current law in Section 1 of the bill, the promissory note must be paid off within 15 months. The financing plan should be permitted to be extended out to 36 months. After all, consumers routinely get 36 months to finance all types of items such as a couch, a TV or a used car. There should also be a provision that allows for the modification of a premium financing arrangement because many people fall behind on their payment when their energy costs increase, when they move from a full time job to being underemployed, or the cost of their housing has risen. These people often can still pay most of their monthly payment but bail bond agents are not currently permitted to modify the payment plan to accommodate these unforeseen circumstances. Rather, the surety bail bond agents must by law file a lawsuit against the arrestee and/or indemnitor if they fall more than 60 days in arrears. This is a rather harsh penalty that isn't appropriate for someone who can still pay but has only been able to pay part of their monthly payment. It's a harsh penalty on both the bail bond agent (who has to sue) and the arrestee/indemnitor/consumer (who gets sued).

Thank you very much for giving me the opportunity to testify. I am available for any questions.

Ryan P. Barry
860-214-8911