For Immediate Release

March 3, 2016

Chaney Praises Senate Action on Bail Bonds Bill

Jackson, MS - Mississippi Insurance Commissioner Mike Chaney said Wednesday a bill to bring accountability to a Mississippi industry that is beset by a serious lack of regulation has passed the Mississippi Senate and is still working its way through the legislative process.

"I want to commend the Mississippi Senate for having the foresight and courage to approve these small regulatory changes for the bail bond industry," Chaney said after the bill passed the Senate with only two nay votes.

The Mississippi bail bond industry is the focus of both state and federal law enforcement investigations concerning fraud and other serious offenses. Chaney has asked for legislation to establish a database of bonds written in the state and a registry of licensed bail agents. The bail bond industry has been split on the legislation, with some members favoring closer regulation and others roaming the halls of the Capitol working against accountability and transparency.

Senate Bill 2664 would establish an online database that tracks every bail bond an agent writes, which apparently is not done by the agents themselves. The database would allow regulators, law enforcement and the courts to track the agent and the number and amounts of bail bonds written and outstanding.

Currently, a bail agent is permitted to write an unlimited amount of bonds, into the millions of dollars, with only a \$30,000 security. As a consequence, bail bond

agents owe courts in the counties and municipalities of our state almost \$2 million in unpaid levies.

"Although a similar bill died in the House Insurance Committee, we still have a vehicle that legislators can use to help stamp out corruption and crime in our state," Chaney said.

"As a regulator, I can only point out the problems and the way to correct it. Only the Legislature can take action to protect our citizens. This is about fighting for those who can't fight for themselves. We are not attempting to put anyone out of business but this legislation will allow us to stop fraud and corruption."

"We're simply trying to rein in a small percentage of unscrupulous agents who are consistently breaking the law and taking advantage of the less fortunate citizens of our state. The majority of bail bond agents are honest, hardworking, small businessmen. This legislation will not put any undue burdens on honest bail bond agents. It is an attempt to protect our citizens by shining a light on bail agent activities."

The bail agent's association also disagrees with the registry and database, claiming they would put pressure on agents to maintain comprehensive records of their business activities.

Others in the state directly affected by the legislation, like members of law enforcement, are in full support of the measure.

"This legislation will help us all," said Jones County Sheriff Alex Hodge, president of the Mississippi Sheriff's Association.

Chaney welcomed the support from law enforcement.

"We are proud the sheriffs recognize and understand the importance of what we're trying to accomplish," he said. "The bottom line is this bill is a mild effort to achieve transparency. Our office has nothing to gain from this except to protect future victims. The legislation now goes back to the House of Representatives for their approval. I certainly hope the full House will understand what we are trying to accomplish and give this important legislation the full attention it deserves."