



For Immediate Release

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BAIL BONDMEN REGULATION

An op-ed from Commissioner of Insurance Mike Chaney

Fortunately, most Mississippians go through life without ever having a need to be bailed out of jail.

Unfortunately, there are times when our citizens do have need of someone to post bail and I'm sure you have at least a small understanding of how that process works. Someone gets arrested and taken to jail. A bond is set in an amount of money suited to what they were arrested for. Now they have a choice. They can either remain in jail until they see a judge and a final resolution of their case is worked out, or they can pay the cash bail and be released until their court date. Many times, however, they find they cannot afford to pay the entire bail amount, so they go to what we normally call a bail bondsman or bail agent. The incarcerated person pays the bail bondsman a percentage of their bail and the bondsman guarantees their appearance in court at the appropriate time and they are released "on bond."

Let me be clear that I am not indicting the entire bail bond profession with what I say next. There are many, many bail bondsmen or agents that do their job honorably, fairly and with a sense of compassion.

However, there are bad apples in every profession and this is true of bail bondsmen as well. Lately here in Mississippi some of those bad apples have caused some major problems. In addition to outright fraud, we have had agents accused of forcing people into prostitution, human trafficking, sexual extortion, kidnapping and armed robbery.

In fact, the unscrupulous bondsmen are giving the industry a very bad reputation for corruption and our state has limited statutory authority to regulate them.

We also have a major problem with some of the bail bondsmen not paying the courts when they fail to produce their clients for court. Presently in Mississippi we have more than \$1.8 million owed to our court system by bail bondsmen who simply won't pay. I'll touch more on this aspect later.

In the 2016 legislative session I will be seeking legislation that will address several issues in the hopes of bringing increased regulatory authority over the bail bond industry.

First, the legislation will create an Electronic Bondsman Registry that will require all bondsmen to register with the department and allow the department to create an online registry that will allow the courts, sheriffs, municipal and state police to quickly and easily verify that a person actually holds a valid bail bondsman license in our state.

Currently a license can be checked online but the registry will bring more transparency by allowing an interested party to check not only the license, but the type of bail bonds an agent is licensed to issue.

The bill will establish a Bail Bond Database which will list every written bond issued in the state. Bondsmen will have to register every bond within a certain period of time and also will be required to provide information such as the amount of the bond, when it was satisfied, if it was financed and what type of security or collateral is required.

Now we get back to the money owed to the courts. Quite simply, in Mississippi, we have never required bail agents to carry enough collateral to cover the amount of bonds written. Currently, it is possible

to write an unlimited amount of bail bonds with a security deposit of only \$30,000. It is very easy for a bail bondsman to get over-extended with that small amount of security.

So in the legislation we attempt to rectify this by implementing a sliding scale for security required. Quite simply, bail bondsmen will be required to up the security and collateral based upon the amount of bonds they write, with certain modifications.

Understand that when I say the money is owed to the courts that means the courts in the counties where the failure on the defaulted bond took place. This money is owed to your county or city and it should be paid. Taxpayers should not be asked to take up the slack for someone who simply fails to pay what they legally owe.

I recognize this may not be a high priority item for many Mississippians. And quite honestly there are some people who should be in jail and not released on bond. My concern, however, is that where a court sets bail an individual should be able to engage an honest bail bondsman and not forced into prostitution, drug dealing or other crimes to pay for their bail.

While the steps I am seeking will not solve all of our problems in this area, it will be a good start. If I, as a regulator, ignore these major offenses, I am not fulfilling my duty to protect ALL the citizens of our state.

By seeking this legislation we are simply adding more accountability to the bail bond industry, something the industry should welcome under these circumstances. An honest industry does not fight accountability. They welcome it. Any attempt to clean up an industry and make sure everyone is operating legally is not government intrusion; it is government operating the way it is intended to.