

Testimony of Herbert "Mitch" Mitchell  
President of the Pennsylvania Bail Agents' Association  
SB 1441 PN 2174  
Senate Banking and Insurance Committee  
September 23, 2014

Good Morning Chairman White, Chairman Stack and members of the Committee. My name is Mitch Mitchell. Like most other Pennsylvania bail agents, I am a small business owner and have operated Mitch's Bail Bonds located in Washington and Fayette Counties for the last 8 years. I am also President of the Pennsylvania Bail Agents' Association. I thank you for the opportunity to testify on SB 1441. This bill represents a comprehensive overhaul of the statute that regulates bail bondsmen in the Commonwealth of Pennsylvania. Our association members and I are here to express our gratitude to Senators Alloway and Stack for crafting this vital legislation that will "raise the bar" for our industry.

We, the agents, seek to heighten the standards our industry. SB 1441 will enhance accountability, professionalism and transparency in the practice of providing bail for those awaiting trial. By requiring a casualty insurance license, this legislation subject's bail bondsmen to the regulations and standards set forth by the Department of insurance for producers. Further,

by requiring a bail bondsman's affiliation with an "insurer," county governments will be assured that bondsmen will have the necessary financial resources to cover the aggregate amount of liability they assume. When a defendant fails to appear, the burden rests with the bail bondsman to actively recover a defendant or deposit forfeited sums within an enumerated timeframe. SB 1441 will also provide criminal penalties for violations similar to those set forth in insurance licensing regulations.

For decades, the bail industry has been subjected to a state law that has been inconsistently applied from county to county. Such inconsistency has been a result of ambiguity in the existing law. SB 1441 will provide procedural clarity for both courts and bondsmen. In addition to a streamlined forfeiture process, county governments will now have an unambiguous regulatory framework. We are thankful this legislation will finally provide uniform rules to regulate this serious profession, thus giving us a solid foundation to properly ensure efficient operation of the criminal justice system at no cost to the taxpayer.

As mentioned, an efficient, responsible, and private bail bonds system can

serve as an effective, cost-efficient resource to county budgets. This bill is revenue-neutral; the revenue to implement this uniform code will be raised solely through the licensing fees for those looking to conduct business in Pennsylvania.

To further highlight the significance of requiring an insurance producers license, we provide the following points.

An agent must now:

- 1) pass an approved 24 credit hour pre-examination course;
- 2) be subjected to fingerprinting by the Pennsylvania Insurance Department to allow access to national criminal history records;
- 3) Pass a licensing examination;
- 4) Complete 24 credit hours of continuing education for each two-year license period;
- 5) adhere to Pennsylvania Insurance Department approved premium rates;
- 6) must maintain an office in the Commonwealth to provide consumer protection.

Under SB1441, all agents must adhere to these well-known and effective

standards of educational, financial and ethical behavior that have been established by the Department of Insurance.

Once again, Mr. Chairman White, the Pennsylvania Bail Agents' Association thanks you and Chairman Stack for the opportunity to testify on this important legislation. We respectfully request that the Committee consider the legislation in the near future. I would welcome the opportunity to answer any questions that you and members of the Committee may have.