

Getting Better All The Time?

By Mike Whitlock

Fall 1999

I'm sitting at Gate 14, in Detroit's Metro Airport waiting to board my connecting flight home to Indy. I have just spent three days in Maryland visiting active agents, closing out former agents and speaking to prospective agents. In short, doing what I do. But as I sit here watching a little three year-old girl prancing about the waiting area looking for some attention, I start to wonder where this industry is headed. Seldom does a week go by someone does not bring up how poor business has been or talks about getting out and trying something different. Let me tell you there is reason for pessimism. But there is also cause for optimism.

PREMIUM DOWNS AND UPS

Maryland bondsmen are facing a critical situation with premium being accepted as low as 5%. Ground zero is Baltimore proper where there are more than 100 agents with varying degrees of liability and virtually no responsibility fighting over every bond like it was the last morsel in the bread basket. Some Baltimore agents have set their sights beyond the city limits and have expanded their cancerous ways to cities like Frederick and Hagerstown doing their best to ruin those markets as well.

On a more positive note, Georgia has managed, through legislation, to get their premium rate increased from 10% to 12% which became effective July 1, 1999. According to veteran USI agent, Don Floyd of Atlanta, "Agents are charging the full 12% and they would be a fool not to." It is refreshing to see a bondsman recognizing this is a business and businesses are designed to be profitable. To a professional like Don Floyd, who has been a bondsman for more than two decades, bail has been good to him and his family and I am sure he would like to continue to keep his doors open and jobs available for his employees for a long time to come.

COURTS GETTING GREEDY?

I recently returned from West Palm Beach where I attended a Bail Florida meeting, the upstart agents association trying to make a difference. One of the issues raised during the general meeting was the new fees being charged by Collier County. Apparently, Collier County is now assessing the bail agent the cost of preparing and mailing estreature notices (forfeitures for those of you north of Tallahassee). A minor debate ensued as to whether or not to sue Collier County for assessing fees of this nature on the bail agent when it does not appear the court has any legal jurisdiction to do so. It is my personal opinion, while you may have one or two counties charging these fees now, if you sue and win, the courts may seek a change in the law which would alert all counties to a new source of revenue and before you know it every county in Florida is on the band wagon. In short, win the battle but lose the war. It will be a difficult decision either way with no guarantee of outcome.

NO RELATION

There continues to be talk in industry circles that ASC/USI has some financial stake in the ever increasing credit card services being marketed to your local jails. While we typically do not bother to respond to industry rumors, many of you still express concern.

It is no secret, at one time ASC-USI had dabbled in credit card services primarily marketing to non-surety states and courts with a focus on advancing cash against credit cards to pay for cash bail, fine and costs. We found the service to be poorly received and very unprofitable. Our customer base simply did not have the available credit to use the service we were providing. We subsequently shut down the operation and we have not been involved in the credit card services business since. If you have a similar service contracting with your court you can be sure ASC/USI has no involvement. You can also be sure the provider will experience the same results as we did.

Well, I have to go, they're calling for those travelers seated in rows 10 through 25 and I'm in exit row aisle, seat 16C.