

HOUSE BILL 1050

C4

5lr2139

By: **Delegate Jalisi**

Introduced and read first time: February 13, 2015

Assigned to: Judiciary and Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Bail Bondsmen – Installment Agreements**

3 FOR the purpose of establishing a minimum required down payment in connection with
4 certain bail bond installment agreements; providing a maximum term of certain bail
5 bond installment agreements; requiring a certain bail bondsman to file a certain
6 action for certain relief within a certain period of time under certain circumstances;
7 qualifying the actions that a certain bail bondsman shall take with respect to certain
8 collections by requiring the bail bondsman to make certain efforts to obtain judgment
9 under certain circumstances; and generally relating to bail bondsmen and
10 installment agreements.

11 BY repealing and reenacting, with amendments,
12 Article – Insurance
13 Section 10–309
14 Annotated Code of Maryland
15 (2011 Replacement Volume and 2014 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That the Laws of Maryland read as follows:

18 **Article – Insurance**

19 10–309.

20 (a) This section applies to bail bondsmen licensed under this subtitle and to bail
21 bondsmen that provide bail bondsman services under § 5–203 of the Criminal Procedure
22 Article.

23 (b) A bail bondsman may arrange to accept payment for the premium charged for
24 a bail bond in installments.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) (1) If a bail bondsman arranges to accept payment for the premium
2 charged for a bail bond in installments, the installment agreement shall include:

3 [(1)] (I) the total amount of the premium owed;

4 [(2)] (II) the amount of any down payment made;

5 [(3)] (III) the balance amount owed to the bail bondsman or the bail
6 bondsman's insurer;

7 [(4)] (IV) the amount and due date of each installment payment; and

8 [(5)] (V) the total number of installment payments required to pay the
9 amount due.

10 (2) **THE BAIL BONDSMAN SHALL REQUIRE THE PRINCIPAL ON THE**
11 **BAIL BOND OR ANY INDEMNITOR TO:**

12 (I) **MAKE A DOWN PAYMENT OF NOT LESS THAN 35% OF THE**
13 **PREMIUM DUE; AND**

14 (II) **EXECUTE THE INSTALLMENT AGREEMENT UNDER**
15 **PARAGRAPH (1) OF THIS SUBSECTION FOR THE REMAINING BALANCE OF THE**
16 **PREMIUM THAT IS DUE.**

17 (3) **THE TERM OF THE INSTALLMENT AGREEMENT MAY NOT EXCEED**
18 **15 MONTHS AFTER THE DATE THE AGREEMENT IS EXECUTED.**

19 (d) (1) If a bail bondsman arranges to accept payment of the premium charged
20 for a bail bond in installments, the bail bondsman shall:

21 [(1)] (I) secure a signed affidavit of surety by the defendant or the insurer
22 containing the information required under subsection (c) of this section and provide the
23 affidavit of surety to the court;

24 [(2)] (II) **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,** take all
25 necessary steps to collect the total amount owed by the insured, including seeking remedies
26 provided by law for the collection of debts; and

27 [(3)] (III) keep and maintain records of all collection attempts, installment
28 agreements, and affidavits of surety.

29 (2) (I) **IF THE REMAINING BALANCE OF THE PREMIUM DUE IS NOT**
30 **PAID IN FULL TO THE BAIL BONDSMAN OR THE BAIL BONDSMAN'S INSURER BY THE**
31 **DUE DATE OF THE FINAL PAYMENT UNDER THE INSTALLMENT AGREEMENT OR IF**

1 ANY PAYMENT THAT IS DUE UNDER THE INSTALLMENT AGREEMENT IS IN ARREARS
2 BY MORE THAN 60 DAYS, THE BAIL BONDMAN SHALL FILE A CIVIL ACTION SEEKING
3 APPROPRIATE RELIEF WITH A COURT OF COMPETENT JURISDICTION WITHIN 75
4 DAYS AFTER THE DUE DATE OF THE FINAL PAYMENT UNDER THE INSTALLMENT
5 AGREEMENT OR THE PAYMENT IN ARREARS.

6 (II) THE BAIL BONDMAN SHALL MAKE A DILIGENT EFFORT TO
7 OBTAIN JUDGMENT AFTER FILING THE CIVIL ACTION ON THE INSTALLMENT
8 AGREEMENT UNLESS GOOD CAUSE IS SHOWN FOR FAILURE TO OBTAIN JUDGMENT
9 INCLUDING:

10 1. THE FILING IN BANKRUPTCY BY THE PRINCIPAL OR
11 THE INDEMNITOR; OR

12 2. THE FAILURE TO SERVE PROCESS DESPITE GOOD
13 FAITH EFFORTS.

14 (e) (1) The bail bondsman shall keep and maintain the records required under
15 this section in an office that is generally accessible to the public during normal business
16 hours.

17 (2) The bail bondsman shall make the records required under this section
18 available to the Commissioner for inspection.

19 (3) Each year, each bail bondsman shall certify to the Commissioner that
20 the records required to be kept and maintained under this section are accurate and true.

21 (f) If a bail bondsman violates any provision of this section, the Commissioner
22 may take any actions authorized under § 10–126 of this title.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2015.