

HOUSE BILL 1494

C4

7lr1940
CF SB 459

By: **Delegates C. Wilson, Chang, Fennell, and Proctor**

Introduced and read first time: February 10, 2017

Assigned to: Judiciary and Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 2, 2017

CHAPTER _____

1 AN ACT concerning

2 **Bail Bond – Installment Contract – Form and Confessed Judgment Prohibition**

3 FOR the purpose of requiring an agreement to accept payment for the premium charged
4 for a bail bond in installments to be in a form approved by the Maryland Insurance
5 Commissioner; prohibiting the agreement from including a confessed judgment
6 clause that waives a consumer’s right to assert a certain defense; prohibiting a bail
7 bondsman from including a certain confessed judgment clause that waives a
8 consumer’s right to assert a certain defense in ~~a certain~~ an agreement to accept
9 payment for the premium charged for a bail bond in installments; providing that it
10 is an unfair trade practice to include ~~a certain confessed judgment clause in a certain~~
11 the confession of judgment clause in an agreement to accept payment for the
12 premium charged for a bail bond in installments; defining a certain term; and
13 generally relating to bail bonds.

14 BY repealing and reenacting, with amendments,
15 Article – Insurance
16 Section 10–309
17 Annotated Code of Maryland
18 (2011 Replacement Volume and 2016 Supplement)

19 BY repealing and reenacting, without amendments,
20 Article – Insurance
21 Section 27–201
22 Annotated Code of Maryland
23 (2011 Replacement Volume and 2016 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to
 2 Article – Insurance
 3 Section 27–225
 4 Annotated Code of Maryland
 5 (2011 Replacement Volume and 2016 Supplement)

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

8 **Article – Insurance**

9 10–309.

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

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

15 (c) If a bail bondsman arranges to accept payment for the premium charged for a
 16 bail bond in installments, the installment agreement:

17 **(1) SHALL BE IN A FORM ADOPTED BY THE COMMISSIONER;**

18 **(2)** shall include:

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

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

21 **[(3)] (III)** the balance amount owed to the bail bondsman or the bail
 22 bondsman’s insurer;

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

24 **[(5)] (V)** the total number of installment payments required to pay the
 25 amount due; **AND**

26 **~~(2)~~ (3) MAY NOT INCLUDE A CONFESSED JUDGMENT CLAUSE THAT**
 27 **WAIVES A CONSUMER’S RIGHT TO ASSERT A LEGAL DEFENSE TO AN ACTION.**

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

1 (1) secure a signed affidavit of surety by the defendant or the insurer
2 containing the information required under subsection (c) of this section and provide the
3 affidavit of surety to the court;

4 (2) take all necessary steps to collect the total amount owed by the insured,
5 including seeking remedies provided by law for the collection of debts; and

6 (3) keep and maintain records of all collection attempts, installment
7 agreements, and affidavits of surety.

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

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

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

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

17 27–201.

18 The commission of an act prohibited under this subtitle is defined as an unfair
19 method of competition and an unfair and deceptive act or practice in the business of
20 insurance.

21 **27–225.**

22 (A) IN THIS SECTION, “BAIL BOND” HAS THE MEANING STATED IN §
23 ~~10–301(B)~~ § 10–301 OF THIS ARTICLE.

24 (B) A CONFESSED JUDGMENT CLAUSE THAT WAIVES A CONSUMER’S RIGHT
25 TO ASSERT A LEGAL DEFENSE TO AN ACTION MAY NOT BE INCLUDED IN A BAIL BOND
26 AGREEMENT.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2017.