

Chapter 807

(Senate Bill 459)

AN ACT concerning

Bail Bond – Installment Contract – Form and Confessed Judgment Prohibition

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

BY repealing and reenacting, with amendments,

Article – Insurance

Section 10–309

Annotated Code of Maryland

(2011 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Insurance

Section 27–201

Annotated Code of Maryland

(2011 Replacement Volume and 2016 Supplement)

BY adding to

Article – Insurance

Section 27–225

Annotated Code of Maryland

(2011 Replacement Volume and 2016 Supplement)

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

Article – Insurance

10–309.

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

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

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

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

~~(1)~~ **(2)** shall include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27–201.

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

27–225.

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

~~**A BAIL BONDSMAN MAY NOT INCLUDE A CONFESSION OF JUDGMENT IN AN AGREEMENT TO ACCEPT PAYMENT FOR THE PREMIUM CHARGED FOR A BAIL BOND IN INSTALLMENTS.**~~

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

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

Enacted under Article II, § 17(c) of the Maryland Constitution, May 27, 2017.