

SENATE BILL 459

C4

7lr2017
CF 7lr1940

By: **Senator Feldman**

Introduced and read first time: January 30, 2017

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of prohibiting a bail bondsman from including a certain confessed
4 judgment clause in a certain agreement to accept payment for the premium charged
5 for a bail bond in installments; providing that it is an unfair trade practice to include
6 a certain confessed judgment clause to include a confession of judgment in a certain
7 agreement to accept payment for the premium charged for a bail bond in
8 installments; and generally relating to bail bonds.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 10–309
12 Annotated Code of Maryland
13 (2011 Replacement Volume and 2016 Supplement)

14 BY repealing and reenacting, without amendments,
15 Article – Insurance
16 Section 27–201
17 Annotated Code of Maryland
18 (2011 Replacement Volume and 2016 Supplement)

19 BY adding to
20 Article – Insurance
21 Section 27–225
22 Annotated Code of Maryland
23 (2011 Replacement Volume and 2016 Supplement)

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

26 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 10-309.

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

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

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

9 (1) shall include:

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

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

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

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

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

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

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

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

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

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

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

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

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

7 27–201.

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

11 **27–225.**

12 **(A) IN THIS SECTION “BAIL BOND” HAS THE MEANING STATED IN §**
13 **10–301(B) OF THIS ARTICLE.**

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

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

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