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By: **Delegate Kelly**

Introduced and read first time: February 9, 2005

Assigned to: Judiciary

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 24, 2005

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CHAPTER\_\_\_\_\_

1 AN ACT concerning

2 **Surety Insurance - Inducements to Insurance - Criminal Penalties - Bail**  
3 **Bondsmen**

4 FOR the purpose of providing certain criminal penalties for certain bail bondsmen  
5 who violate certain provisions of law that prohibit certain insurers, employees or  
6 representatives of the insurers, and insurance producers from paying, allowing,  
7 or giving, or offering to pay, allow, or give, directly or indirectly, certain  
8 inducements to insurance; and generally relating to surety insurance and bail  
9 bondsmen.

10 BY repealing and reenacting, without amendments,  
11 Article - Insurance  
12 Section 10-301(c)  
13 Annotated Code of Maryland  
14 (2003 Replacement Volume and 2004 Supplement)

15 BY repealing and reenacting, without amendments,  
16 Article - Insurance  
17 Section 27-212(a) and (b)  
18 Annotated Code of Maryland  
19 (2002 Replacement Volume and 2004 Supplement)

20 BY adding to  
21 Article - Insurance  
22 Section 27-212(g)  
23 Annotated Code of Maryland

1 (2002 Replacement Volume and 2004 Supplement)

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

4 **Article - Insurance**

5 10-301.

6 (c) "Bail bondsman" means an authorized insurance producer of a surety  
7 insurer.

8 27-212.

9 (a) This section does not apply to life insurance, health insurance, and  
10 annuities.

11 (b) Except to the extent provided for in an applicable filing with the  
12 Commissioner as provided by law, an insurer, employee or representative of an  
13 insurer or insurance producer may not pay, allow, give, or offer to pay, allow, or give  
14 directly or indirectly as an inducement to insurance or after insurance has become  
15 effective:

16 (1) a rebate, discount, abatement, credit, or reduction of the premium  
17 stated in the policy;

18 (2) a special favor or advantage in the dividends or other benefits to  
19 accrue on the policy; or

20 (3) any valuable consideration or other inducement not specified in the  
21 policy.

22 (G) IN ADDITION TO ANY ADMINISTRATIVE PENALTY OTHERWISE  
23 APPLICABLE, A BAIL BONDSMAN, AS DEFINED IN § 10-301 OF THIS ARTICLE, WHO  
24 VIOLATES SUBSECTION (B) OF THIS SECTION IS GUILTY OF A ~~FELONY MISDEMEANOR~~  
25 AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 5 YEARS OR A  
26 FINE NOT EXCEEDING \$10,000 OR BOTH \$5,000.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 October 1, 2005.