

HOUSE BILL 577

D3

(8lr2113)

ENROLLED BILL

—*Judiciary / Judicial Proceedings*—

Introduced by **Delegate Simmons**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Preservation of Right to Jury or Judge Trial Act**

3 FOR the purpose of providing that any provision in ~~a~~ an insurance contract with a
4 certain consumer that ~~requires the waiver of limits or waives a trial by jury or~~
5 ~~judge by requiring certain~~ requires arbitration is void and unenforceable ~~except~~
6 ~~under certain circumstances; providing a certain exception;~~ providing for the
7 application of this Act; defining a certain term; providing for a delayed effective
8 date; and generally relating to the preservation of the right to trial by jury or
9 judge.

10 BY repealing and reenacting, with amendments,
11 Article – Courts and Judicial Proceedings
12 Section 3–206
13 Annotated Code of Maryland
14 (2006 Replacement Volume and 2007 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.

Italics indicate opposite chamber / conference committee amendments.



1 BY adding to
 2 Article – Courts and Judicial Proceedings
 3 Section 3–206.1
 4 Annotated Code of Maryland
 5 (2006 Replacement Volume and 2007 Supplement)

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

8 **Article – Courts and Judicial Proceedings**

9 3–206.

10 (a) [A] **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, A** written
 11 agreement to submit any existing controversy to arbitration or a provision in a written
 12 contract to submit to arbitration any controversy arising between the parties in the
 13 future is valid and enforceable, and is irrevocable, except upon grounds that exist at
 14 law or in equity for the revocation of a contract.

15 (b) This subtitle does not apply to an arbitration agreement between
 16 employers and employees or between their respective representatives unless it is
 17 expressly provided in the agreement that this subtitle shall apply.

18 **3–206.1.**

19 (A) **IN THIS SECTION, “CONSUMER” MEANS A PARTY TO AN**
 20 **ARBITRATION AGREEMENT WHO, IN THE CONTEXT OF THE ARBITRATION**
 21 **AGREEMENT, IS AN INDIVIDUAL, NOT A BUSINESS, WHO SEEKS OR ACQUIRES,**
 22 **INCLUDING BY LEASE, ANY GOODS OR SERVICES PRIMARILY FOR PERSONAL,**
 23 **FAMILY, OR HOUSEHOLD PURPOSES INCLUDING FINANCIAL SERVICES, HEALTH**
 24 **CARE SERVICES, OR REAL PROPERTY.**

25 ~~(B) ANY PROVISION IN A AN INSURANCE CONTRACT WITH A CONSUMER~~
 26 ~~THAT REQUIRES THE WAIVER OF LIMITS OR WAIVES A TRIAL BY JURY OR JUDGE~~
 27 ~~BY REQUIRING BINDING OR NONBINDING ARBITRATION IS VOID AND~~
 28 ~~UNENFORCEABLE UNLESS PREEMPTED BY FEDERAL LAW.~~

29 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
 30 SUBSECTION, ANY PROVISION IN AN INSURANCE CONTRACT WITH A CONSUMER
 31 THAT REQUIRES ARBITRATION IS VOID AND UNENFORCEABLE.

32 (2) THIS SUBSECTION DOES NOT APPLY TO A PROVISION THAT
 33 ESTABLISHES AN APPRAISAL PROCESS TO DETERMINE THE VALUE OF
 34 PROPERTY.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
2 construed to apply only prospectively and may not be applied or interpreted to have
3 any effect on or application to any contract entered into before the effective date of this
4 Act.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 ~~October 1, 2008~~ January 1, 2009.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.