

# HOUSE BILL 577

D3

8lr2113

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By: **Delegate Simmons**

Introduced and read first time: January 31, 2008

Assigned to: Judiciary

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 4, 2008

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## 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 ~~an~~ 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 arbitration is void and unenforceable ~~except under~~  
6 ~~certain circumstances~~; providing for the application of this Act; defining a  
7 certain term; and generally relating to the preservation of the right to trial by  
8 jury or judge.

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

14 BY adding to  
15 Article – Courts and Judicial Proceedings  
16 Section 3–206.1  
17 Annotated Code of Maryland  
18 (2006 Replacement Volume and 2007 Supplement)

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

### 21 **Article – Courts and Judicial Proceedings**

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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 3-206.

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

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

10 **3-206.1.**

11 (A) IN THIS SECTION, "CONSUMER" MEANS A PARTY TO AN  
12 ARBITRATION AGREEMENT WHO, IN THE CONTEXT OF THE ARBITRATION  
13 AGREEMENT, IS AN INDIVIDUAL, NOT A BUSINESS, WHO SEEKS OR ACQUIRES,  
14 INCLUDING BY LEASE, ANY GOODS OR SERVICES PRIMARILY FOR PERSONAL,  
15 FAMILY, OR HOUSEHOLD PURPOSES INCLUDING FINANCIAL SERVICES, HEALTH  
16 CARE SERVICES, OR REAL PROPERTY.

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

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

25 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 October 1, 2008.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.