

CHAPTER 665

(House Bill 577)

AN ACT concerning

Preservation of Right to Jury or Judge Trial Act

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

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

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

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

Article – Courts and Judicial Proceedings

3–206.

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

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

3-206.1.

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

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

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

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

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

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

Approved by the Governor, May 22, 2008.