

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 571

(Senator Astle)

Finance

Economic Matters

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**Surety Insurers - Failure to Pay Bail Bond Judgment - Penalties**

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This bill extends existing penalties to surety insurers that are precluded or removed by a circuit court from the list of insurers eligible to post bonds with any circuit court due to failure to resolve or satisfy one or more bail bond forfeiture judgments.

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**Fiscal Summary**

**State Effect:** The bill would not directly affect State operations. General fund revenues could increase minimally as a result of the bill's imposition of existing monetary penalties.

**Local Effect:** The bill would not directly affect local finances or operations.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Current Law/Background:** A surety insurer that is removed by the District Court from the list of insurers eligible to post bonds with the court because of failure to resolve or satisfy one or more bail bond forfeitures is subject to penalties under the Insurance Article. These penalties include suspension or revocation of the insurer's certificate of authority, as well as a fine of between \$100 and \$125,000. The Insurance Commissioner may also order a certificate holder to make restitution to any person who has suffered financial injury because of the violation. The bill extends these existing penalties to surety insurers removed from eligibility by a circuit court.

**Small Business Effect:** Bail bond small businesses will be subject to the same State fines and penalties for failures to meet circuit court forfeiture obligations as those that currently apply to such failures in District Court.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 915 (Delegate Love) – Economic Matters and Judiciary.

**Information Source(s):** Judiciary (Administrative Office of the Courts), Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2008  
ncs/ljm

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