

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 915 (Delegate Love)

Economic Matters and Judiciary

Finance

Surety Insurers - Failure to Pay Bail Bond Judgment - Penalties

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.

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.

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.

Additional Information

Prior Introductions: None.

Cross File: SB 571 (Senator Astle) – Finance.

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

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

Analysis by: Alexander M. Rzasa

Direct Inquiries to:
(410) 946-5510
(301) 970-5510