

**Department of Legislative Services**  
Maryland General Assembly  
2017 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 451

(Delegate Cluster)

Economic Matters

Finance

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**Insurance - Bail Bondsmen - Continuing Education Requirements**

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This bill requires each insurance producer who is licensed to sell property and casualty insurance and also sells, solicits, or negotiates bail bonds to receive continuing education that directly relates to bail bond insurance.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State operations or finances.

**Local Effect:** The bill does not affect local governmental operations or finances.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law/Background:**

*Insurance Producers*

To act as an insurance producer in the State, a person must generally obtain a license from the Maryland Insurance Administration. The license fee is \$54 initially and \$54 every two years for renewal. Each producer license expires every two years (1) for an individual, on the last day of the month in which the holder of the license was born and (2) for a business, on the same day the license was first issued.

To qualify for license renewal, an insurance producer must have acquired, during the renewal period, the number of continuing education hours required by the Insurance Commissioner. In general, a producer must receive continuing education in the kind or

subdivision of insurance for which the producer is licensed; however, for some types of insurance, the producer must receive a specific type of continued education. For example, any producer who is licensed to sell property and casualty insurance and also sells flood insurance must receive continuing education that directly relates to flood insurance. A producer may not be required to receive more than 24 hours of continuing education per renewal period; however, if the producer has held a license for 25 or more consecutive years, the producer may not be required to receive more than 8 hours of continuing education per renewal period.

### *Bail Bonds and Bondsman*

Bail is intended to ensure the presence of the defendant in court, not as punishment. If there is a concern that the defendant will fail to appear in court, but otherwise does not appear to pose a significant threat to the public, the defendant may be required to post a bail bond rather than be released on recognizance. A bail bond is the written obligation of the defendant, with or without a surety or collateral security, conditioned on the personal appearance of the defendant in court, as required, and providing for payment of a specified penalty (the amount of the bail) upon default.

A bail bondsman is an authorized insurance producer of a surety insurer that issues bail bonds. To obtain or retain a license as a bail bondsman, the bondsman must (1) meet the requirements to act as a property and casualty insurance producer in the State; (2) comply with any continuing education requirements the Commissioner sponsors or approves; and (3) annually certify that the majority of the bondman's income is from providing bail bondsman services.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 375 (Senator Jennings) - Finance.

**Information Source(s):** Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2017  
mm/ljm Third Reader - February 19, 2017

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Analysis by: Richard L. Duncan

Direct Inquiries to:  
(410) 946-5510

(301) 970-5510