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§12–1014.

(a) A registrant that establishes a dedicated account in accordance with § 12–1010(d) of this subtitle shall file a surety bond with the Commissioner at the time the dedicated account is established.

(b) (1) The bond shall run to the Commissioner, as obligee, for the benefit of:

(i) The State; and

(ii) Any consumer who is injured by a violation of this subtitle committed by a registrant.

(2) The bond shall be:

(i) In the amount of $50,000;

(ii) Issued by a surety company that:

1. Is authorized to do business in the State; and

2. Holds a certificate of authority issued by the Maryland Insurance Commissioner; and

(iii) Conditioned that the registrant shall comply with all State and federal laws and regulations governing the business of providing debt settlement services.

(3) The liability of the surety:

(i) Shall be continuous;

(ii) May not be aggregated or cumulative, whether or not the bond is renewed, continued, replaced, or modified;

(iii) May not be determined by adding together the penal sum of the bond, or any part of the penal sum of the bond, in existence at any two or more points in time;

(iv) Shall be considered to be one continuous obligation, regardless of increases or decreases in the penal sum of the bond;

(v) May not be affected by:

1. The insolvency or bankruptcy of the registrant;

2. Any misrepresentation, breach of warranty, failure to pay a premium, or any other act or omission of the registrant or an agent of the registrant; or

3. The suspension of the registrant's registration;

(vi) May not require an administrative enforcement action by the Commissioner as a prerequisite to liability; and

(vii) Shall continue for 3 years after the later of the date on which:

1. The bond is canceled; or

2. The registrant, for any reason, ceases to be registered.

(4) (i) A bond may be canceled by the surety or the registrant by giving notice of cancellation to the Commissioner.

(ii) Notice under subparagraph (i) of this paragraph shall:

1. Be in writing; and

2. Be sent by certified mail, return receipt requested.

(iii) A cancellation of a bond under this paragraph is not effective until 90 days after receipt of a notice of cancellation by the Commissioner.

(5) A claim against the bond may be filed with the surety by:

(i) A claimant; or

(ii) The Commissioner for the benefit of a claimant or the State.

(6) If the amount of claims against a bond exceeds the amount of the bond, the surety:

(i) Shall pay the amount of the bond to the Commissioner for pro rata distribution to claimants; and

(ii) Is relieved of liability under the bond.

(7) If the penal amount of a bond is reduced by payment of a claim or judgment, the registrant shall file a new or additional bond with the Commissioner.

(8) A penalty imposed against a registrant under § 2–115(b) of this article or § 13–410 of the Commercial Law Article may be collected and paid from the proceeds of a bond required under this section.

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