

## 486F.

(a) When in connection with a premium finance agreement, a power of attorney or other authority to cancel any insurance contract or contracts on behalf of the insured is given to a premium finance company, the insurance contract or contracts may not be cancelled by the premium finance company unless such cancellation is effectuated in accordance with the following provisions:

(b) Not less than ten (10) days written notice shall be mailed to the insured of the intent of the premium finance company to cancel the insurance contract or contracts unless the defaulted installment payment is received within said ten (10) day period.

(c) After expiration of such ten (10) day period, the premium finance company may thereafter cancel by mailing to the insurer a notice of cancellation, specifying the effective date of such cancellation, and the premium finance company shall mail a copy of the cancellation notice to the insured at his last known address. No policy may be cancelled by the holder of a power of attorney because the delinquency and collection charge as provided in section 486E has not been paid.

(d) Upon receipt of a copy of such cancellation notice by the insurer or insurers, the insurance contract shall be cancelled as if the aforesaid notice of cancellation had been submitted by the insured himself, but without requiring the return of the insurance policy.

(e) All statutory, regulatory, and contractual restrictions providing that the insured may not cancel his insurance contract unless notice is given to a governmental agency, mortgagee or other third party shall apply where cancellation is effected under the provisions of this section. The insurer, in accordance with said prescribed notice where it is required to give such notice in behalf of itself or the insured, shall give notice to such governmental agency, mortgagee or other person; and it shall determine and calculate the effective date of cancellation from the day it receives the copy of the notice of cancellation from the premium finance company.

(f) Whenever an insurance contract is cancelled in accordance with this section, the insurer shall return whatever gross unearned premiums are due under the contract to the premium finance company effecting the cancellation for the account of the insured or insureds.

## 486G.

(a) Any premium finance company or ~~insurance~~ INSURER, agent or broker who willfully and knowingly ~~charges a greater amount of any service charge or other fee as provided in~~ VIOLATES THE PROVISIONS OF ANY SECTION OF this subtitle shall be guilty of a misdemeanor and shall, in addition to any administrative or civil penalty otherwise applicable, be subject to a fine of not more than \$1,000 ~~and to~~ OR imprisonment not to exceed one (1) year, OR BOTH.

(b) On and after July 1, 1964, any person who engages in business as a premium finance company without having registered as provided in this subtitle shall be guilty of a misdemeanor and shall, in addition to any other administrative or civil penalty otherwise appli-