

Finance Agreements," clarifying the provisions of said subtitle, modifying service charges, and giving the Commissioner power to deny, suspend, revoke, or refuse to continue a registration in the area of premium finance agreements.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 486A through 486G of Article 48A of the Annotated Code of Maryland (1964 Supplement), title "Insurance Code," subtitle "30A. Premium Finance Agreements," be and they are hereby repealed and re-enacted with amendments to read as follows:

486A.

For purposes of this subtitle:

(a) A premium finance agreement is any agreement by which an insured or prospective insured promises or agrees to pay to or to the order of another person an amount advanced or to be advanced under the agreement to an insurer, agent, or broker in payment of premiums on insurance contracts ~~{and} or~~ which contains an assignment of or is otherwise secured by the unearned premium or refund obtainable from the insurer upon cancellation of the insurance contract. Provided, however, any insurance premium financed in connection with a time sale of goods or services or an extension of credit without charge by an agent or broker shall not be construed as a premium finance agreement.

(b) A premium finance company is any person who engages in the business of entering into or accepting premium finance agreements.

486B.

(a) Every premium finance company shall register as such with the Commissioner prior to engaging in business in this state as a premium finance company. Registration forms shall be of such design and content as is prescribed by the Commissioner and may require *the filing of the form of premium finance agreement to be used and the service charges to be applied and disclosure* of the identity, trade names, and the names of officers, managers, owners, and directors. The Commissioner shall also require and designate forms for reporting changes in officers, directors, owners, trade names, and business addresses. The registration shall continue in effect and shall automatically be renewed upon receipt by the Commissioner of the annual registration fee of ten dollars (\$10.00) on or before the first day of July of each year.

(b) Every premium finance company shall maintain records of its premium finance transactions and the said records shall be open to examination by the Commissioner.

(c) No bank, savings bank, trust company, savings and loan association, credit union, industrial finance company, small loan company, or other such organization which is regulated pursuant to the laws of this state or the United States nor any insurance company licensed in Maryland which does not engage in the insurance financing business shall be subject to the provisions of this subtitle nor shall such organization be required to register or pay the fee therefor.