

CHAPTER 308

(House Bill 495)

AN ACT to repeal and re-enact, with amendments, Section 486D(a) of Article 48A of the Annotated Code of Maryland (1968 Replacement Volume), title "Insurance Code," subtitle "30A. Premium Finance Agreements," providing for the elimination of rebating of service charges to agents and brokers of premium finance companies.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 486D(a) of Article 48A of the Annotated Code of Maryland (1968 Replacement Volume), title "Insurance Code," subtitle "30A. Premium Finance Agreements," be and it is hereby repealed and re-enacted, with amendments, to read as follows:

486D.

(a) The service charge shall be computed on the balance of premiums due, after subtracting any down payment made by the insured, from the inception date of the insurance contract, or from the due date of such premium, disregarding any period of grace or credit allowed for payment thereof, to and including the date when the final installment of the premium finance agreement is payable, at not exceeding one-half of one per cent per one hundred dollars (\$100.00) for each thirty days, charged in advance, upon the entire amount advanced, payable in installments. In addition to the above service charge insurance premium finance companies shall be permitted to charge an initial service charge of not over ten dollars (\$10.00) which need not be refunded upon cancellation or prepayment [.] , and no part of any charge, initial or otherwise, shall be paid to any insurance agent, broker, or any employee of an insurance agent or broker, or to any other person as an inducement to the financing of any insurance policy with the premium finance company.

SEC. 2. *And be it further enacted,* That this Act shall take effect July 1, 1969.

Approved April 23, 1969.

CHAPTER 309

(House Bill 497)

AN ACT to repeal and re-enact, with amendments, Section 175 of Article 66½ of the Annotated Code of Maryland (1957 Edition and 1967 Replacement Volume), title "Motor Vehicles," subtitle "Unsatisfied Claim and Judgment Fund," to change the procedure for the issuance of checks or drafts in payment of claims to qualified payees under the Unsatisfied Claim and Judgment Fund Law.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 175 of Article 66½ of the Annotated Code of Maryland (1957 Edition and 1967 Replacement Volume), title "Motor Vehi-