

BY repealing and re-enacting, with amendments,

Article 48A - Insurance Code  
Section 243D(a) and (b)  
Annotated Code of Maryland  
(1972 Replacement Volume and 1974 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section 243D(a) of Article 48A - Insurance Code, of the Annotated Code of Maryland (1972 Replacement Volume and 1974 Supplement) be and it is hereby repealed and re-enacted, with amendments, to read as follows:

Article 48A - Insurance Code

243D.

(a) The executive director may reject an application of insurance or cancel a policy of insurance if he finds that the driving license of the applicant or policyholder is [presently] OR BECOMES suspended or revoked. The executive director shall promptly notify the applicant or policyholder of his action. IF THE POLICY OF INSURANCE COVERS A SPOUSE OR OTHER HOUSEHOLD MEMBER OF THE FAMILY OF THE POLICYHOLDER, THE CANCELLATION OF THE POLICY SHALL NOT CANCEL THE COVERAGE OF SUCH SPOUSE OR FAMILY MEMBER WHO HAS NOT HAD HIS OR HER DRIVING LICENSE SUSPENDED OR REVOKED, AND THE INSURER SHALL RECLASSIFY THE RATE OF RISK OF SUCH SPOUSE OR FAMILY MEMBER FOR PREMIUM PURPOSES

(b) An applicant whose application for insurance has been rejected OR A POLICYHOLDER WHOSE POLICY HAS BEEN CANCELLED EXCEPT FOR NONPAYMENT OF PREMIUMS may, within ten days after receipt of notice of the rejection OR CANCELLATION, appeal the decision of the executive director to a special board composed of the board of trustees and the Commissioner of Insurance. The special board may affirm, reverse, or modify the decision of the executive director, upon the record, or may hold a hearing upon not less than ten days' written notice to the applicant and thereafter affirm, reverse, or modify the decision of the executive director. IF THE POLICY HOLDER APPEALS THE DECISION OF THE EXECUTIVE DIRECTOR TO THE SPECIAL BOARD, HIS POLICY SHALL REMAIN IN EFFECT UNTIL THE SPECIAL BOARD DECIDES HIS APPEAL.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1975.

Approved April 8, 1975.