

Article 48A - Insurance Code
Section 486C(b) and 486D(a)
Annotated Code of Maryland
(1972 Replacement Volume and 1978 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 48A - Insurance Code

486C.

(b) The maximum rates or charges set forth in § 486D [(hereinafter called service charges)] shall be inclusive of all interest, fees and charges incident to the premium finance agreement and for the extension of credit provided thereby. Provided, however, that delinquency, collection, and cancellation or reinstatement charges may be made in accordance with limitations of § 486E.

486D.

(a) The [service] FINANCE charge shall be computed on the entire premium loan advanced, after subtracting any down payment on the premium loan 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 under the premium finance agreement is payable, at a rate not exceeding three quarters of one percent for each thirty days, charged in advance. [In addition to the above service charge, insurance premium finance companies shall be permitted to charge an initial service charge of not over \$10 which need] INSURANCE PREMIUM FINANCE COMPANIES MAY CHARGE AN INITIAL SERVICE CHARGE FEE FOR ACTUAL EXPENSES NOT TO EXCEED \$15 WHICH MAY not be refunded upon cancellation or repayment, and no part of any charge FEE, initial or otherwise, shall be paid to any insurance agent, broker, or any employee of an insurance agent or broker, or to any person as an inducement to the financing of any insurance policy with the premium finance company.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1979.

Approved May 29, 1979.

CHAPTER 698

(Senate Bill 652)