

PAY- REMUNERATION OF AN EMPLOYEE ON ACCOUNT OF SICKNESS OR ACCIDENT OF THE EMPLOYEE SHALL BE PAID AND TREATED AS SICK PAY AND NOT AS CONTINUATION OF SALARY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1981.

Approved May 19, 1981.

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CHAPTER 745

(Senate Bill 1071)

AN ACT concerning

Insurance - Finance Charges and Service Fees

FOR the purpose of altering the finance charge rate on a premium loan and the amount of the initial service fee for actual expenses that may be charged by an insurance company.

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code  
Section 486D (a)  
Annotated Code of Maryland  
(1979 Replacement Volume and 1980 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 BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows: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

486D.

(a) The 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 the 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 [one] ~~1.25~~ 1.15 percent for each thirty days, charged in advance. Insurance premium finance companies may charge an initial service fee for actual expenses not to exceed [\$15] \$20 which may not be refunded upon cancellation or repayment, and no part of any 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.