

(d) A premium finance agreement may provide for additional insurance premiums to be financed and added to the initial premium finance agreement.

23-307.

(a) A premium finance agreement may require the insured to pay a cancellation charge if a default in paying an installment results in the cancellation of an insurance contract listed in the premium finance agreement.

(b) A cancellation charge shall be:

(1) with respect to private passenger automobile or personal fire or liability insurance, equal to the difference between a delinquency and collection charge imposed under § 23-306 of this subtitle with respect to the installment in default and \$15; and

(2) with respect to commercial automobile, fire, or liability insurance, 5% of the installment, not to exceed an amount equal to the difference between a delinquency and collection charge imposed under § 23-306 of this subtitle with respect to the installment in default and \$100.

(c) If a notice of cancellation is withdrawn [before its effective date] and the insurance coverage is reinstated, the premium finance agreement may require the insured to pay a reinstatement charge in the same amount as the cancellation charge that would have been paid if the cancellation had actually taken effect.

[23-401.1.

(a) Except as provided under subsection (b) of this section, any notice to an insured shall be sent by personal delivery or first class mail.

(b) With respect to commercial automobile, fire, or liability insurance, and at the request of the insured, a premium finance company may send any notice to the insured by personal delivery, first-class mail, electronic mail, or facsimile transmission.]

23-401.1.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, AT THE OPTION OF THE INSURED A PREMIUM FINANCE COMPANY MAY SEND ANY NOTICE REQUIRED UNDER THIS SUBTITLE BY PERSONAL DELIVERY, FIRST-CLASS MAIL, COMMERCIAL DELIVERY SERVICE, ELECTRONIC MAIL, OR FACSIMILE TRANSMISSION.

(B) A NOTICE DELIVERY METHOD OTHER THAN PERSONAL DELIVERY, FIRST-CLASS MAIL, OR COMMERCIAL DELIVERY SERVICE MAY BE USED ONLY WITH THE WRITTEN CONSENT OF THE INSURED.

23-402.

(a) At least 10 days before canceling an insurance contract, a premium finance company shall deliver or mail to the insured written notice of intent to cancel the insurance contract unless the defaulted installment payment is received within the 10-day notice period.