

Approved April 14, 1987.

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CHAPTER 110

(House Bill 992)

AN ACT concerning

Insurance - Certificates of Guarantee  
MC/PG 28-87

FOR the purpose of exempting from the Insurance Code certain certificates of guarantee issued on behalf of contractors for the purpose of satisfying certain bond requirements in Prince George's County and Montgomery County; clarifying that Montgomery County and Prince George's County may honor certificates of guarantee under this Act, but are not required to honor certificates of guarantee under the insurance laws of the State; defining certain terms; making this Act an emergency measure; and generally relating to certificates of guarantee.

BY adding to

Article 48A - Insurance Code  
Section 9A  
Annotated Code of Maryland  
(1986 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 48A - Insurance Code

9A.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "CERTIFICATE OF GUARANTEE" MEANS AN INSTRUMENT ISSUED:

(I) BY A NONPROFIT ASSOCIATION OF CONTRACTORS, OR ITS WHOLLY OWNED SUBSIDIARY WHICH IS APPROVED TO OPERATE BY PRINCE GEORGE'S COUNTY OR MONTGOMERY COUNTY, AS APPROPRIATE; AND

(II) ON BEHALF OF A CONTRACTOR FOR THE PURPOSE OF SATISFYING COUNTY BOND REQUIREMENTS FOR PUBLIC IMPROVEMENTS OR OTHER COUNTY BONDING REQUIREMENTS.