

Approved May 19, 1989.

CHAPTER 362

(House Bill 53)

AN ACT concerning

Motor Vehicle Liability Insurance - Binders

FOR the purpose of providing that binders for motor vehicle liability insurance in effect for certain periods of time are subject to certain procedural requirements; and generally relating to motor vehicle liability insurance binders.

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code
Section 240AA(a)
Annotated Code of Maryland
(1986 Replacement Volume and 1988 Supplement)

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

Article 48A - Insurance Code

240AA.

(a) Except in accordance with the provisions of this article, no insurer other than the Maryland Automobile Insurance Fund shall (i) cancel or fail to renew a policy of motor vehicle liability insurance OR A BINDER OF MOTOR VEHICLE LIABILITY INSURANCE, IF THE BINDER IS IN EFFECT FOR 60 45 DAYS OR LONGER, issued in this State, as to any resident of the household of the named insured, for any reason other than nonpayment of premium, or (ii) increase a premium for any coverage on any such policy unless the increase is part of a general increase in premiums approved by the Commissioner and does not result from a reclassification of the insured, or (iii) reduce the coverage under any such policy unless the reduction is part of a general reduction in coverage approved by the Commissioner or to satisfy the requirements of §§ 539 through 541 of this article, inclusive.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1989.