

Also in subsection (e) of this section, the former word "contradictory" is deleted as unnecessary in light of the word "inconsistent".

Defined terms: "Alien insurer" § 1-101

"Annuity contract" § 1-101

"Commissioner" § 1-101

"Foreign insurer" § 1-101

"Insurance contract" § 1-101

"Insurer" § 1-101

"Person" § 1-101

"Policy" § 1-101

12-103. VALIDITY AND CONSTRUCTION OF NONCOMPLYING CONDITIONS OR PROVISIONS.

AN OTHERWISE VALID INSURANCE POLICY, RIDER, OR ENDORSEMENT ISSUED AFTER DECEMBER 31, 1963, WITH A CONDITION OR PROVISION THAT DOES NOT COMPLY WITH THE REQUIREMENTS OF THIS ARTICLE IS NOT INVALID BUT IS TO BE CONSTRUED AND APPLIED IN ACCORDANCE WITH THE CONDITION OR PROVISION THAT WOULD BE APPLICABLE IF THE POLICY, RIDER, OR ENDORSEMENT WERE IN FULL COMPLIANCE WITH THIS ARTICLE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 378.

The reference to a policy, rider, or endorsement issued "after December 31, 1963" is substituted for the former reference to a policy, rider, or endorsement "hereafter issued" to clarify that this section applies to a policy, rider, or endorsement issued after December 31, 1963, which is the date former Art. 48A, § 378 took effect.

Defined term: "Policy" § 1-101

12-104. VALIDITY AND EFFECT OF LIMITATIONS PERIODS.

(A) IN GENERAL.

A PROVISION IN AN INSURANCE CONTRACT OR SURETY CONTRACT THAT SETS A SHORTER TIME TO BRING AN ACTION UNDER OR ON THE INSURANCE CONTRACT OR SURETY CONTRACT THAN REQUIRED BY THE LAW OF THE STATE WHEN THE INSURANCE CONTRACT OR SURETY CONTRACT IS ISSUED OR DELIVERED IS AGAINST STATE PUBLIC POLICY, ILLEGAL, AND VOID.

(B) EFFECT.

IF AN INSURANCE CONTRACT OR SURETY CONTRACT CONTAINS A PROVISION THAT IS ILLEGAL UNDER THIS SECTION:

(1) A STATE COURT MAY NOT GIVE EFFECT TO THE PROVISION; AND

(2) A DEFENSE TO LIABILITY UNDER THE INSURANCE CONTRACT OR SURETY CONTRACT MAY NOT BE BASED UPON THE SHORTER LIMITATION PERIOD.