

In item (5) of this section, the former reference to a "possible" settlement is deleted as surplusage.

Defined terms: "Insurer" § 1-101

"Policy" § 1-101

12-106. BINDERS OR CONTRACTS FOR TEMPORARY INSURANCE.

(A) SCOPE OF SECTION.

THIS SECTION DOES NOT APPLY TO LIFE INSURANCE OR HEALTH INSURANCE.

(B) IN GENERAL.

A BINDER OR OTHER CONTRACT FOR TEMPORARY INSURANCE:

(1) MAY BE MADE ORALLY OR IN WRITING; AND

(2) EXCEPT AS SUPERSEDED BY THE CLEAR AND EXPRESS TERMS OF THE BINDER, IS CONSIDERED TO INCLUDE:

(I) ALL THE USUAL TERMS OF THE POLICY AS TO WHICH THE BINDER WAS GIVEN; AND

(II) THE APPLICABLE ENDORSEMENTS DESIGNATED IN THE BINDER.

(C) EXTENT OF VALIDITY.

A BINDER IS NO LONGER VALID AFTER THE POLICY AS TO WHICH IT WAS GIVEN IS ISSUED.

(D) BINDERS GIVEN TO CONSUMER BORROWER.

(1) IF A BINDER IS GIVEN TO A CONSUMER BORROWER TO SATISFY A LENDER'S REQUIREMENT THAT THE BORROWER OBTAIN PROPERTY INSURANCE OR CREDIT LOSS INSURANCE AS A CONDITION OF MAKING A LOAN SECURED BY A FIRST MORTGAGE OR FIRST DEED OF TRUST ON AN INTEREST IN OWNER-OCCUPIED RESIDENTIAL REAL PROPERTY, THE INSURER OR ITS AGENT SHALL INCLUDE IN OR WITH THE BINDER:

(I) THE NAME AND ADDRESS OF THE INSURED CONSUMER BORROWER;

(II) THE NAME AND ADDRESS OF THE LENDER;

(III) A DESCRIPTION OF THE INSURED RESIDENTIAL REAL PROPERTY;

(IV) A PROVISION THAT THE BINDER MAY NOT BE CANCELED WITHIN THE TERM OF THE BINDER UNLESS THE LENDER AND THE INSURED BORROWER RECEIVE WRITTEN NOTICE AT LEAST 10 DAYS BEFORE THE CANCELLATION;