

(2) CANCELLATION OF COVERAGE MAY OCCUR NOT LATER THAN 60 DAYS AFTER COVERAGE IS EFFECTIVE.

(F) NOTICE OF CANCELLATION; RIGHTS OF APPLICANTS.

WHENEVER COVERAGE IS CANCELED:

(1) THE FUND PROMPTLY SHALL NOTIFY THE APPLICANT, PRODUCER, AND MOTOR VEHICLE ADMINISTRATION OF THE CANCELLATION;

(2) THE APPLICANT HAS THE RIGHT OF APPEAL UNDER § 20-517 OF THIS SUBTITLE; AND

(3) IF THE CANCELLATION OCCURRED BECAUSE AN APPLICANT DID NOT PAY THE APPROPRIATE PREMIUM, THE FUND SHALL GIVE THE APPLICANT A REASONABLE OPPORTUNITY TO PAY THE APPROPRIATE PREMIUM.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 243B(d) and 243L(k).

In subsection (a)(1) and (2) of this section, the reference to "the regulations that relate to the binding of coverage" is substituted for the former reference to "the binding rules of the Fund" to conform to the terminology used throughout this article. See the General Revisor's Note to this article. As to the regulations that relate to the binding of coverage, see COMAR 14.07.02.

In subsection (a)(2) of this section, the former defined term "payment of the appropriate premium" is revised as a substantive provision for clarity.

In subsection (b)(1) of this section, the former reference to "rules" is deleted as unnecessary in light of the reference to "regulations". See the General Revisor's Note to this article.

In subsection (b)(2) of this section, the phrase "but not limited to", which formerly modified "including", is deleted as unnecessary in light of Art. 1, § 30 of the Code, which provides that the term "include" is used by way of illustration and not by way of limitation.

In subsection (c)(2)(ii) of this section, the defined term "Administration" is substituted for the former obsolete reference to the "insurance division".

In subsection (e)(1) of this section, the Fund is given authority to "cancel coverage and refuse to issue a policy" under certain circumstances, *i.e.*, an applicant is not qualified or premium is not paid. In practice, if coverage is canceled the producer still is entitled to a commission. It is to be noted that under §§ 20-502(e) and 20-507(f) of this subtitle, if those same circumstances occur, the policy is to be declared void and no commission may be paid to the producer.

In subsection (f)(3) of this section, the reference to the "appropriate" premium is substituted for the former reference to the "proper" premium to conform to the language used in this section.