

NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, DELINQUENCY, COLLECTION, CANCELLATION, AND REINSTATEMENT CHARGES MAY BE MADE IN ACCORDANCE WITH THE LIMITATIONS OF §§ 23-306 AND 23-307 OF THIS SUBTITLE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 486D(b).

Defined term: "Premium finance agreement" § 23-101

23-304. FINANCE CHARGE.

THE FINANCE CHARGE SHALL BE COMPUTED:

(1) ON THE AMOUNT OF THE ENTIRE PREMIUM LOAN ADVANCED, AFTER SUBTRACTING ANY DOWN PAYMENT ON THE PREMIUM LOAN MADE BY THE INSURED;

(2) FROM THE INCEPTION DATE OF THE INSURANCE CONTRACT OR FROM THE DUE DATE OF THE PREMIUM; DISREGARDING ANY GRACE PERIOD OR CREDIT ALLOWED FOR PAYMENT OF THE PREMIUM, THROUGH THE DATE WHEN THE FINAL INSTALLMENT UNDER THE PREMIUM FINANCE AGREEMENT IS PAYABLE; AND

(3) AT A RATE NOT EXCEEDING 1.15% FOR EACH 30 DAYS, CHARGED IN ADVANCE.

REVISOR'S NOTE: This section is new language derived without substantive change from the first sentence of former Art. 48A, § 486E(a).

Defined terms: "Insurance contract" § 1-101

"Premium" § 1-101

"Premium finance agreement" § 23-101

23-305. INITIAL SERVICE FEE.

(A) IN GENERAL.

A PREMIUM FINANCE COMPANY MAY CHARGE AN INITIAL SERVICE FEE, WHICH MAY NOT EXCEED \$20, FOR ACTUAL EXPENSES.

(B) REFUND PROHIBITED.

THE INITIAL SERVICE FEE MAY NOT BE REFUNDED ON CANCELLATION OR REPAYMENT.

REVISOR'S NOTE: This section is new language derived without substantive change from the first clause of the second sentence of former Art. 48A, § 486E(a).

Defined term: "Premium finance company" § 23-101

23-306. DELINQUENCY AND COLLECTION CHARGE.

(A) IN GENERAL.