

23-402. NOTICE OF INTENT TO CANCEL.

(A) IN GENERAL.

AT LEAST 10 DAYS BEFORE CANCELING AN INSURANCE CONTRACT, A PREMIUM FINANCE COMPANY SHALL MAIL TO THE INSURED WRITTEN NOTICE OF INTENT TO CANCEL THE INSURANCE CONTRACT UNLESS THE DEFAULTED INSTALLMENT PAYMENT IS RECEIVED WITHIN THE 10-DAY NOTICE PERIOD.

(B) AUTOMOBILE LIABILITY INSURANCE CONTRACTS.

FOR AN AUTOMOBILE LIABILITY INSURANCE CONTRACT, THE NOTICE OF INTENT TO CANCEL SHALL INCLUDE A STATEMENT IN CLEAR AND SPECIFIC TERMS THAT IF THE INSURED FAILS TO REPLACE THE AUTOMOBILE LIABILITY INSURANCE WITHIN THE 10-DAY NOTICE PERIOD, § 17-106 OF THE TRANSPORTATION ARTICLE PROVIDES THAT UNINSURED MOTORIST PENALTIES BE ASSESSED AND THAT ALL EVIDENCES OF REGISTRATION BE SURRENDERED TO THE MOTOR VEHICLE ADMINISTRATION AND THAT FAILURE TO SURRENDER THE EVIDENCES OF REGISTRATION MAY RESULT IN SUSPENSION OF CURRENT AND FUTURE REGISTRATION PRIVILEGES.

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

In subsection (a) of this section, the former reference to a contract "or contracts" is deleted as unnecessary in light of Art. 1, § 8 of the Code, which provides that the singular includes the plural.

In subsection (b) of this section, the reference to "provid[ing]" that uninsured motorist penalties be assessed is substituted for the former reference to "requir[ing]" the assessment of those penalties because § 17-106 of the Transportation Article makes the imposition of uninsured motorist penalties discretionary.

Defined terms: "Insurance contract" § 1-101

"Premium finance company" § 23-101

23-403. CANCELLATION OF INSURANCE CONTRACT.

(A) NOTICE OF CANCELLATION; COPY TO INSURED.

(1) AFTER THE END OF THE NOTICE PERIOD UNDER § 23-402(A) OF THIS SUBTITLE, THE PREMIUM FINANCE COMPANY MAY CANCEL THE INSURANCE CONTRACT BY SUBMITTING TO THE INSURER A NOTICE OF CANCELLATION THAT SPECIFIES THE EFFECTIVE DATE OF THE CANCELLATION.

(2) THE PREMIUM FINANCE COMPANY SHALL MAIL A COPY OF THE NOTICE OF CANCELLATION TO THE INSURED AT THE LAST KNOWN ADDRESS OF THE INSURED.

(B) EFFECTIVE DATE.