

(1) IF THE INSURER RECEIVES A NOTICE OF CANCELLATION ISSUED UNDER SUBSECTION (A) OF THIS SECTION WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF CANCELLATION SPECIFIED IN THE NOTICE, THE INSURANCE CONTRACT SHALL BE CANCELED EFFECTIVE ON THE DATE SPECIFIED IN THE NOTICE.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, IF THE INSURER RECEIVES A NOTICE OF CANCELLATION ISSUED UNDER SUBSECTION (A) OF THIS SECTION MORE THAN 30 DAYS AFTER THE EFFECTIVE DATE OF CANCELLATION SPECIFIED IN THE NOTICE, THE INSURANCE CONTRACT SHALL BE CANCELED EFFECTIVE ON THE DATE THE INSURER RECEIVES THE NOTICE.

(3) IF A PREMIUM FINANCE COMPANY FAILS TO MEET THE 30-DAY NOTICE REQUIREMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION BECAUSE THE INSTALLMENT PAYMENT OF THE INSURED IS DISHONORED AFTER THE EFFECTIVE DATE SPECIFIED IN THE NOTICE OF CANCELLATION, THE DISHONORED PAYMENT IS INEFFECTIVE AND THE INSURER MAY WAIVE THE 30-DAY NOTICE REQUIREMENT.

(C) RETURN OF POLICY NOT REQUIRED.

A CANCELLATION UNDER THIS SECTION SHALL BE MADE AS IF THE NOTICE OF CANCELLATION HAD BEEN SUBMITTED BY THE INSURED, BUT WITHOUT REQUIRING THE RETURN OF THE POLICY.

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

In subsection (a)(1) of this section, the reference to canceling the "insurance contract" is added for clarity.

Also in subsection (a)(1) of this section, the reference to the "notice period under § 23-402(a) of this subtitle" is substituted for the former reference to "such ten (10) day period" for clarity.

In subsection (b)(1) and (2) of this section, the former references to a "copy of" a notice of cancellation are deleted as surplusage.

Defined terms: "Insurance contract" § 1-101

"Insurer" § 1-101

"Policy" § 1-101

"Premium finance company" § 23-101

23-404. NOTICE TO THIRD PARTIES OF CANCELLATION.

(A) IN GENERAL.

ALL STATUTORY, REGULATORY, AND CONTRACTUAL RESTRICTIONS THAT PROVIDE THAT THE INSURED MAY NOT CANCEL AN INSURANCE CONTRACT UNLESS NOTICE IS GIVEN TO A GOVERNMENTAL AGENCY, MORTGAGEE, OR OTHER THIRD PARTY SHALL APPLY TO A CANCELLATION MADE UNDER THIS SUBTITLE.

(B) PROCEDURE.