

Defined terms: "Insurance" § 1-101

"Insurer" § 1-101

"Policy" § 1-101

"Premium" § 1-101

27-607. NOTICE OF RENEWAL PREMIUM DUE.

(A) IN GENERAL.

(1) UNLESS AN INSURER HAS PROVIDED NOTICE OF ITS INTENTION NOT TO RENEW A POLICY IN COMPLIANCE WITH § 27-601, § 27-603, OR § 27-605 OF THIS SUBTITLE, THE INSURER MUST PROVIDE EACH POLICYHOLDER WITH NOTICE OF RENEWAL PREMIUM DUE AT LEAST 17 DAYS BEFORE THE DUE DATE.

(2) A QUALIFIED AGENT OR QUALIFIED BROKER MAY PROVIDE NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION ON BEHALF OF THE INSURER.

(3) THE DUTY TO PROVIDE NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS DEEMED DISCHARGED IF:

(I) THE INSURER SHOWS THAT ITS ESTABLISHED PROCEDURES WOULD HAVE RESULTED IN PLACING THE NOTICE OF RENEWAL PREMIUM DUE IN THE UNITED STATES MAIL; AND

(II) THERE IS NO SHOWING THAT IN FACT THE NOTICE WAS NOT PLACED IN THE MAIL.

(B) EFFECT OF FAILURE TO PROVIDE NOTICE.

IF AN INSURER FAILS TO PROVIDE NOTICE OF RENEWAL PREMIUM DUE UNDER SUBSECTION (A) OF THIS SECTION, AND SUBSEQUENTLY THE POLICYHOLDER FAILS TO MAKE TIMELY PAYMENT OF THE RENEWAL PREMIUM, THE INSURER MUST:

(1) PROVIDE COVERAGE FOR EACH CLAIM THAT:

(I) WOULD HAVE BEEN COVERED UNDER THE POLICY; AND

(II) ARISES WITHIN 45 DAYS AFTER THE DATE THE INSURED DISCOVERS OR SHOULD HAVE DISCOVERED THAT THE POLICY WAS NOT RENEWED; AND

(2) RENEW THE POLICY ON TENDER OF PAYMENT WITHIN 30 DAYS AFTER THE POLICYHOLDER DISCOVERS OR SHOULD HAVE DISCOVERED THAT THE POLICY WAS NOT RENEWED.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 240B(a) through (c).

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