

**CHAPTER 273**

**(House Bill 1099)**

AN ACT concerning

**Premium Financing – Administration, Cancellation, and Prohibitions**

FOR the purpose of altering certain provisions of law relating to premium finance companies and premium finance agreements; altering certain requirements and contents of premium finance agreements, their terms, administration, charges, and cancellation; authorizing the financing of certain additional ~~or renewal~~ premiums under certain circumstances, subject to certain conditions and limitations; requiring certain notices to certain persons under certain circumstances; ~~limiting certain deductions with regard to certain policies under certain circumstances~~; providing for certain effects of a notice of dishonor under certain circumstances; altering and adding certain provisions relating to premiums and their return, including calculation, responsibility, application, and interest; prohibiting certain acts by certain persons, including insurers and agents, subject to certain penalties; and generally relating to premium finance companies and premium finance agreements.

BY adding to

Article – Insurance

Section 23-302.1, 23-302.2, ~~23-310~~, 23-403.1, 23-505.1, and 23-505.2

Annotated Code of Maryland

(1996 Volume)

(As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 23-405

Annotated Code of Maryland

(1996 Volume)

(As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Insurance**

23-302.1.

(A) AN INSURED MAY FINANCE AN ADDITIONAL ~~OR RENEWAL~~ PREMIUM MAY BE FINANCED IF:

(1) THE INSURED HAS PAID THE DOWN PAYMENT, IF ANY, REQUIRED BY THE PREMIUM FINANCE COMPANY ON THE ADDITIONAL ~~OR RENEWAL~~ PREMIUM; AND