

within a certain number of days; providing an exception to the requirement that the Insurance Commissioner hold a hearing under certain circumstances; and generally relating to the notice to an insured and the determination of the Insurance Commissioner regarding a premium increase in a policy of motor vehicle liability insurance.

BY adding to

Article—Insurance

Section 19-112

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 27-501 ~~27-605(b)~~ 27-605(b), (d), and (e)

Annotated Code of Maryland

(1995 Volume and 1996 Supplement)

(As enacted by Chapter ___ (H.B. 11) of the Acts of the General Assembly of 1997)

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

Article - Insurance

~~19-112.~~

~~(A) SUBJECT TO THE PROVISIONS OF SUBSECTION (B) OF THIS SECTION, WITH RESPECT TO A POLICY OF AUTOMOBILE LIABILITY INSURANCE OR HOMEOWNERS INSURANCE, AN INSURER MAY RESCIND THE POLICY IF THE APPLICATION FOR THE POLICY CONTAINS ANY MISREPRESENTATION, OMISSION, CONCEALMENT OF FACT, OR INCORRECT STATEMENT THAT IS MATERIAL TO THE ACCEPTANCE OF THE RISK.~~

~~(B) A MISREPRESENTATION, OMISSION, CONCEALMENT OF FACT, OR INCORRECT STATEMENT IS MATERIAL TO THE ACCEPTANCE OF THE RISK IF:~~

~~(1) THE MISREPRESENTATION, OMISSION, CONCEALMENT OF FACT, OR INCORRECT STATEMENT IS FRAUDULENT;~~

~~(2) THE INSURER WOULD NOT HAVE ISSUED THE POLICY IF THE APPLICATION HAD NOT CONTAINED THE MISREPRESENTATION, OMISSION, CONCEALMENT OF FACT, OR INCORRECT STATEMENT; OR~~

~~(3) THE INSURER WOULD HAVE CHARGED A HIGHER PREMIUM IF THE APPLICATION HAD NOT CONTAINED THE MISREPRESENTATION, OMISSION, CONCEALMENT OF FACT, OR INCORRECT STATEMENT.~~

~~(C) RESCISSION OF A POLICY UNDER THE PROVISIONS OF THIS SECTION RENDERS THE POLICY NULL AND VOID IN ITS INCEPTION AS TO ANY CLAIMS FOR COVERAGE ASSERTED UNDER THE POLICY.~~