

23-402.

(a) At least 10 days before canceling an insurance contract, a premium finance company shall DELIVER OR 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) 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.

(C) WITH RESPECT TO COMMERCIAL AUTOMOBILE, FIRE, OR LIABILITY INSURANCE, THE PREMIUM FINANCE COMPANY SHALL DELIVER THE NOTICE IN ACCORDANCE WITH THE INSURED'S REQUEST UNDER § 23-401.1(B) OF THIS SUBTITLE.

23-403.

(a) (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) (I) The premium finance company shall DELIVER OR ~~DELIVER OR~~ mail a copy of the notice of cancellation to the insured at the last known address of the insured.

(II) WITH RESPECT TO COMMERCIAL AUTOMOBILE, FIRE, OR LIABILITY INSURANCE, THE PREMIUM FINANCE COMPANY SHALL DELIVER THE NOTICE IN ACCORDANCE WITH THE INSURED'S REQUEST UNDER § 23-401.1(B) OF THIS SUBTITLE.

(b) (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 INSURER SHALL CANCEL THE insurance contract [shall be canceled] effective on the date specified in the notice, ~~AS IF THE INSURED HAD REQUESTED THE CANCELLATION, AND WITHOUT REQUIRING THE RETURN OF THE INSURANCE CONTRACT OR FURTHER NOTICE TO THE INSURED.~~

(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.