

Section 23-310 and 23-401.1  
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**

23-101.

- (a) In this title the following words have the meanings indicated.
- (b) (1) "Premium finance agreement" means an agreement:

- (i) by which an insured or prospective insured promises to pay to [or to the order of another an] A PREMIUM FINANCE COMPANY ~~OR ITS ASSIGNEE~~ THE amount advanced or to be advanced under the agreement, TOGETHER WITH INTEREST AND A SERVICE FEE, to an insurer, THE INSURER'S agent, or A ~~PRODUCER OR~~ broker in payment of premiums; and

- (ii) that contains an assignment of or is otherwise secured by the unearned premium or refund obtainable from the insurer on cancellation of the insurance contract, ~~TOGETHER WITH INTEREST AND A SERVICE CHARGE.~~

- (2) "Premium finance agreement" does not include a premium financed in connection with a time sale of goods or services or an extension of credit without charge by an agent or broker.

~~(C) "PRODUCER" MEANS AN AGENT OR BROKER AS DEFINED IN THIS ARTICLE.~~

~~(c)~~~~(D)~~ "Premium finance company" means a person that engages in the business of entering into or accepting premium finance agreements.

23-102.

No bank, savings bank, trust company, savings and loan association, credit union, industrial finance company, small loan company, or other similar organization that is regulated under the laws of the State or the United States nor any bank, savings bank, trust company, savings and loan association, or credit union that is organized in another state and has a branch in this State nor any authorized insurer that does not engage in the insurance financing business is subject to this title.

23-103.

(a) The Commissioner may conduct investigations and examine the books, records, and accounts of a person under this title to the same extent as is authorized with respect to insurers under this article.

(b) The expense of an examination shall be paid by the person examined as provided in § 2-208 of this article.