

Approved April 20, 2001.

CHAPTER 219

(House Bill 387)

AN ACT concerning

Insurance - Premium Financing

FOR the purpose of requiring that a copy of a premium finance agreement or other notice of a premium finance agreement be sent to certain surplus lines brokers under certain circumstances; authorizing a premium finance company to require a certain agent or broker to send a certain notice within a certain period of time; authorizing a premium finance company to require a certain agent or broker to provide the premium finance company with certain information within a certain period of time; requiring an agent or broker to return certain gross unearned commissions to an insurer within a reasonable period of time when an insurance contract has been canceled by a premium finance company, an insurer, or an insured; ~~specifying the time within which the gross unearned commissions must be returned;~~ and generally relating to notice of premium financing agreements and cancellation of insurance contracts financed under premium finance agreements.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 23-302 and 23-405

Annotated Code of Maryland

(1997 Volume and 2000 Supplement)

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

Article - Insurance

23-302.

(a) A copy of each premium finance agreement or other notice of a premium finance agreement that describes the policy or policies involved shall be given to the agency issuing the policy or policies or to the insurers involved.

(b) (1) IF A POLICY IS PROCURED THROUGH A SURPLUS LINES BROKER LICENSED IN THE STATE, AND PAYMENT IS NOT MADE DIRECTLY TO THE SURPLUS LINES BROKER OR THE INSURER, A COPY OF THE PREMIUM FINANCE AGREEMENT OR OTHER NOTICE OF THE PREMIUM FINANCE AGREEMENT SHALL BE SENT TO THE SURPLUS LINES BROKER BY THE AGENT, BROKER, OR PREMIUM FINANCE COMPANY.

(2) A PREMIUM FINANCE COMPANY MAY REQUIRE AN AGENT OR BROKER WHO PROCURES PREMIUM FINANCING TO: