

authorized insurer that are associated with late payments or installment payments.

House Bill 283, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 198.

Sincerely,
Parris N. Glendening
Governor

Senate Bill No. 198

AN ACT concerning

Insurance - Late Fees ~~for Late Payment of Premiums and Installment Fees~~

FOR the purpose of authorizing authorized insurers to charge and collect, instead of or in addition to a certain installment fee, a certain late fee for late payment of insurance premiums under certain circumstances; establishing the maximum amount of the late fee and the installment fee; requiring the Insurance Commissioner to ~~make a certain determination in approving a proposed late fee~~ review certain expenses associated with late payments or installment payments; prohibiting the imposition of a late fee during certain grace periods or, if no grace period is required by law or regulation, until a certain number of days after the date the payment amount becomes due; requiring an authorized insurer to credit certain payments to certain premiums under certain circumstances; prohibiting the cancellation of an insurance policy for failure to pay a single late fee or single installment fee; and generally relating to late fees for late payment of premiums for insurance and installment fees imposed by an authorized insurer.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 27-216(b)

Annotated Code of Maryland

(1997 Volume and 2000 Supplement)

Preamble

~~WHEREAS, It shall be the public policy of this State to reduce the cost of insurance by encouraging the timely payment of premiums; now, therefore,~~

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

Article - Insurance

27-216.

(b) (1) A person may not willfully collect a premium or charge for insurance that: