

House Bill No. 717

AN ACT concerning

Insurance - Premium Finance Agreements

FOR the purpose of providing that a premium finance agreement, in addition to financing the premium of a surplus lines insurance contract, may include certain premium receipts taxes and fees charged by a surplus lines broker; altering the manner in which a finance charge is computed; and generally relating to premium finance agreements.

BY adding to

Article - Insurance

Section 23-301.1

Annotated Code of Maryland

(2002 Replacement Volume and 2002 Supplement)

BY repealing and reenacting, with amendments,

Article - Insurance

Section 23-304

Annotated Code of Maryland

(2002 Replacement Volume and 2002 Supplement)

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

Article - Insurance

23-301.1.

IN ADDITION TO FINANCING THE PREMIUM OF A SURPLUS LINES INSURANCE CONTRACT, A PREMIUM FINANCE AGREEMENT MAY INCLUDE ANY:

(1) PREMIUM RECEIPTS TAX THAT A SURPLUS LINES BROKER IS REQUIRED TO CHARGE UNDER § 3-324 OF THIS ARTICLE AND PAY TO THE COMMISSIONER UNDER § 3-325 OF THIS ARTICLE;

(2) POLICY FEE THAT A SURPLUS LINES BROKER IS ALLOWED TO CHARGE UNDER § 27-216 OF THIS ARTICLE; AND

(3) INSPECTION FEE THAT A SURPLUS LINES BROKER IS ALLOWED TO CHARGE UNDER § 27-216 OF THIS ARTICLE.

23-304.

The finance charge shall be computed:

(1) on the amount of the entire premium loan advanced, INCLUDING ANY TAXES OR FEES THAT ARE FINANCED UNDER § 23-301.1 OF THIS TITLE, after subtracting any down payment on the premium loan made by the insured;