

possession as a premium finance company, including but not limited to unearned premiums due to an insured, and unearned commissions due to an insurer. The bond shall remain in force until the surety is released from liability by the Commissioner or until the bond is cancelled by the surety. The aggregate liability of the surety for any and all claims on any such bond shall in no event exceed the penalty amount thereof. Without prejudice to any liability accrued prior to the cancellation the surety may cancel the bond upon 30 days' written notice filed with the Commissioner. Upon notification of the cancellation of its bond filed with the Commissioner, a premium finance company must act promptly to replace the bond, and upon its failure to do so, the Commissioner shall deny, suspend, revoke or refuse to continue the registration of the premium finance company until the required bond is filed.

(b) (1) Every premium finance company shall maintain records of its premium finance transactions and the said records shall be open to examination by the Commissioner. ALL SUCH RECORDS SHALL BE MAINTAINED FOR A PERIOD OF NOT LESS THAN 3 YEARS, AND MAY BE IN PHOTOGRAPHIC OR FACSIMILE FORM.

(2) THE COMMISSIONER SHALL HAVE THE SAME POWERS AND AUTHORITY UNDER THIS SUBTITLE TO CONDUCT INVESTIGATIONS AND EXAMINATIONS OF BOOKS, RECORDS, AND ACCOUNTS AT THE EXPENSE OF THE PERSON SO EXAMINED AS VESTED IN THE COMMISSIONER WITH RESPECT TO INSURERS. THE EXPENSE OF SUCH EXAMINATIONS SHALL BE PAID AS PROVIDED IN § 33 OF THIS ARTICLE.

(3) THE COMMISSIONER OR THE COMMISSIONER'S EXAMINER SHALL MAKE A FULL AND TRUE REPORT OF EACH EXAMINATION OR INVESTIGATION AS PROVIDED IN § 34 OF THIS ARTICLE.

(c) No bank, savings bank, trust company, savings and loan association, credit union, industrial finance company, small loan company, or other such organization which is regulated pursuant to the laws of this State or the United States nor any insurance company licensed in Maryland which does not engage in the insurance financing business shall be subject to the provisions of this subtitle nor shall such organization be required to register or pay the fee therefor.

(d) Insurers, agents, and brokers who engage in the business of financing insurance premiums shall register with the Commissioner as provided herein.

(e) A copy of each premium finance agreement or other notice thereof describing the policy or policies involved must be given the agency issuing the policy or policies or the insurers involved.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1992.

Approved May 12, 1992.