

CHAPTER 665

(House Bill 106)

AN ACT concerning

Credit Regulation - Consumer Loans - Insurance

FOR the purpose of authorizing a lender that makes a loan under the Maryland Consumer Loan Law - Credit Provisions, to collect from the borrower, at the option of the borrower, the premiums paid for accident and health insurance covering any one or more borrowers.

BY repealing and reenacting, with amendments,

Article - Commercial Law

Section 12-312(a)

Annotated Code of Maryland

(1990 Replacement Volume and 1997 Supplement)

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

Article - Commercial Law

12-312.

(a) Subject to the provisions of this section, a lender may collect from the borrower, at the option of the borrower, the premiums paid for:

(1) Insurance covering any real or personal property pledged as security for the loan;

(2) Accident and health insurance covering any [one borrower] ONE OR MORE BORROWERS, if the insurance does not provide for benefits exceeding the actual period of disability;

(3) Credit life insurance:

(i) Covering any one borrower for any loan under \$700 in value or amount; or

(ii) Covering any one or more borrowers for any loan of \$700 or more in value or amount; and

(4) Involuntary unemployment benefit insurance covering any one borrower, if the insurance:

(i) Does not provide for benefits exceeding the actual period of unemployment; and

(ii) Is not contingent upon the purchase of any other type of insurance permitted under this subtitle.