

(2) THE FINAL REPORT OF ITS FINDINGS AND RECOMMENDATIONS ON OR BEFORE JANUARY 1, 2000.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1998. It shall remain in effect for a period of 2 years and, at the end of May 30, 2000, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved May 21, 1998.

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**CHAPTER 716**

**(House Bill 869)**

AN ACT concerning

**Premium Financing - Cancellations and Prohibitions**

FOR the purpose of altering a certain provision of law relating to the cancellation of an insurance contract for which payment of the premium was financed through a premium finance company; altering a certain provision of law related to the calculation of the amount of gross unearned premium that must be returned when an insurance contract has been canceled; ~~altering the application of certain acts that are prohibited by certain persons under a certain provision of law;~~ requiring the Insurance Commissioner to submit a certain report by a certain date; and generally relating to premium finance companies and premium finance agreements.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 23-403.1, ~~23-405(a), and 23-505.2~~ and 23-405(a)

Annotated Code of Maryland

(1997 Volume)

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

**Article - Insurance**

23-403.1.

If an insurer receives notice from an agent or premium finance company, within 15 business days after receipt of the initial down payment for the coverage being financed, that the initial down payment has been dishonored [a second time] by a financial institution, there is no valid insurance contract or insurance contracts, and the policy shall be voided.