

23-405.

(a) (1) Whenever an insurance contract is canceled ~~in accordance with this subtitle~~, the insurer shall return any gross unearned premiums that are due under the insurance contract, COMPUTED PRO RATA, AND EXCLUDING ANY EXPENSE CONSTANT, ADMINISTRATIVE FEE, OR ANY NONREFUNDABLE CHARGE FILED WITH AND APPROVED BY THE COMMISSIONER, to the premium finance company for the account of the insured within a reasonable time not exceeding 45 days after:

(i) receipt by the insurer of a notice of cancellation from the premium finance company; or

(ii) completion of any payroll audit necessary to determine the amount of premium earned while the insurance contract was in force.

(2) An audit under paragraph (1)(ii) of this subsection shall be performed within 45 days after the insurer receives the notice of cancellation.

23-505.2.

~~An insurer that markets through independent agents as defined in this article may not, with respect to commercial automobile, fire, or liability insurance, discriminate, intimidate, or retaliate against an agent, broker, or insured that uses premium financing by denying the agent, broker, or insured the same rights accorded to agents, brokers, or insureds who pay premiums in a different manner.~~

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before January 15, 1999, the Insurance Commissioner shall report, subject to § 2-1246 of the State Government Article, to the General Assembly on the advisability of placing a cap or otherwise limiting, upon cancellation of an insurance contract, the application of any expense constant, administrative fee, or other non-refundable charge imposed in connection with that contract.

~~SECTION 2. 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1998.~~

Approved May 21, 1998.

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## CHAPTER 717

(House Bill 884)

AN ACT concerning

### Caroline County - Number of County Commissioners - Straw Ballot

FOR the purpose of requiring that a question be placed on the ballot in Caroline County at the November general election of 1998 to determine the sense of the voters of the County on the issue of increasing the size of the Board of County Commissioners from three members to five members, to be elected by the voters of the County at large from residence districts; providing for the carrying out of