Unofficial Copy C4

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2000 Regular Session 0lr0656

By: Senator Astle Introduced and read first time: January 28, 2000 Assigned to: Finance A BILL ENTITLED 1 AN ACT concerning 2 Property and Casualty Insurance - Disclosure of Nonrefundable Expense 3 Constant 4 FOR the purpose of requiring certain property and casualty insurers to disclose in a 5 certain manner certain information relating to any nonrefundable expense 6 constant imposed in connection with a policy; and generally relating to 7 disclosure of information by insurers to insureds under policies of property and 8 casualty insurance. 9 BY adding to Article - Insurance 10 11 Section 12-307 Annotated Code of Maryland 12 (1997 Volume and 1999 Supplement) 13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 14 15 MARYLAND, That the Laws of Maryland read as follows: 16 **Article - Insurance** 17 12-307. THIS SECTION APPLIES TO INSURERS THAT ISSUE POLICIES OF PROPERTY 18 (A) 19 INSURANCE OR CASUALTY INSURANCE IN THE STATE AND THAT IMPOSE 20 NONREFUNDABLE EXPENSE CONSTANTS IN CONNECTION WITH THOSE POLICIES. 21 (B) EACH INSURER SUBJECT TO THIS SECTION SHALL: 22 DISCLOSE TO THE INSURED THE AMOUNT OF ANY NONREFUNDABLE (1) 23 EXPENSE CONSTANT IMPOSED IN CONNECTION WITH A POLICY OF PROPERTY 24 INSURANCE OR CASUALTY INSURANCE; AND ADVISE THE INSURED THAT THE NONREFUNDABLE EXPENSE (2)26 CONSTANT:

IS FULLY EARNED ON ISSUANCE OF THE POLICY; AND

- 1 (II) WILL NOT BE REFUNDED TO THE INSURED IN THE EVENT OF 2 CANCELLATION OF THE POLICY.
- 3 (C) THE INSURER SHALL DISCLOSE THE INFORMATION REQUIRED UNDER
- 4 SUBSECTION (B) OF THIS SECTION IN WRITING ON THE POLICY DECLARATIONS PAGE
- 5 OF THE POLICY.
- 6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 7 October 1, 2000.