

## Article - Commercial Law

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§12–613.

(a) The provisions of this section are in addition to and not in substitution for any other applicable provision of statutory law.

(b) If a holder undertakes at the expense of the buyer to sell, purchase, or supply insurance on the goods sold, the amount charged the buyer for the insurance may not exceed the lesser of:

(1) The premium actually payable by the holder; or

(2) The rate charged for similar insurance coverage by those companies whose rates are promulgated by a nationally recognized organization of underwriters.

(c) (1) If the buyer is charged for insurance, the holder shall deliver or mail to the buyer at his address shown on the agreement, within 25 days after delivery of the goods, a copy of each insurance policy or an owner's certificate representing the policy, which sets forth:

(i) The amount of the premium, type of insurance, scope of coverage, and each term, exception, limitation, restriction, and condition of the insurance contract; and

(ii) If the goods sold include a motor vehicle, a definite statement in 12-point bold type or larger as to whether the insurance includes coverage for personal liability and for property damage caused to others.

(2) If the holder assigns the agreement and has not complied with the requirements of this subsection, the assignee shall deliver or mail in like manner to the buyer the copy or certificate, within the same period or within five days after the assignment, whichever is later.

(d) Each cancellation, surrender, or other refund and each dividend received under the insurance policy by the holder immediately shall be remitted to the buyer or credited against any amount then due by the buyer to the holder under the agreement.

(e) (1) If the amount charged for insurance exceeds the amount authorized by subsection (b) of this section, the buyer may deduct the overcharge from the amount of any payment.

(2) If the buyer does not deduct the overcharge from his payment, the holder shall credit the amount of the overcharge against the last installment or installments under the agreement.

(f) (1) If the seller or his assignee does not comply with the requirements of

subsection (c) of this section, the buyer may deduct the full amount charged to him for the insurance from the amount of any payment.

(2) If the buyer does not deduct the amount charged from his payment, the holder shall credit the amount charged against the last installment or installments under the agreement.

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