

HOUSE BILL 106

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1998 Regular Session
8lr0467
CF 8lr2035

By: **Delegate Donoghue**

Introduced and read first time: January 16, 1998
Assigned to: Commerce and Government Matters

Committee Report: Favorable
House action: Adopted
Read second time: February 24, 1998

CHAPTER_____

1 AN ACT concerning

2 **Credit Regulation - Consumer Loans - Insurance**

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

7 BY repealing and reenacting, with amendments,
8 Article - Commercial Law
9 Section 12-312(a)
10 Annotated Code of Maryland
11 (1990 Replacement Volume and 1997 Supplement)

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

14 **Article - Commercial Law**

15 12-312.

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

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

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

4 (3) Credit life insurance:

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

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

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

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

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

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