

SENATE BILL 262

Unofficial Copy
12

1998 Regular Session
(8lr2035)

ENROLLED BILL
-- Finance/Commerce and Government Matters --

Introduced by **Senator Dorman**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Credit Regulation - Consumer Loans ~~and Secondary Mortgage Loans~~ -**
3 **Insurance**

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

9 BY repealing and reenacting, with amendments,
10 Article - Commercial Law
11 Section 12-312(a) ~~and 12-410(b)~~
12 Annotated Code of Maryland
13 (1990 Replacement Volume and 1997 Supplement)

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

1 **Article - Commercial Law**

2 12-312.

3 (a) Subject to the provisions of this section, a lender may collect from the
4 borrower, at the option of the borrower, the premiums paid for:5 (1) Insurance covering any real or personal property pledged as security
6 for the loan;7 (2) Accident and health insurance covering any [one borrower] ONE OR
8 MORE BORROWERS, if the insurance does not provide for benefits exceeding the
9 actual period of disability;

10 (3) Credit life insurance:

11 (i) Covering any one borrower for any loan under \$700 in value or
12 amount; or13 (ii) Covering any one or more borrowers for any loan of \$700 or
14 more in value or amount; and15 (4) Involuntary unemployment benefit insurance covering any one
16 borrower, if the insurance:17 (i) Does not provide for benefits exceeding the actual period of
18 unemployment; and19 (ii) Is not contingent upon the purchase of any other type of
20 insurance permitted under this subtitle.21 ~~12-410.~~22 ~~(b) Subject to the provisions of this section, the licensee may collect from the~~
23 ~~borrower, at the borrower's option, the premiums paid for accident and health~~
24 ~~insurance covering any [one borrower] ONE OR MORE BORROWERS obligated on the~~
25 ~~loan. The insurance may not provide benefits exceeding the actual period of disability.~~26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 1998.