

SENATE BILL 262

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1998 Regular Session
8r2035
CF HB 106

By: **Senator Dorman**

Introduced and read first time: February 2, 1998

Assigned to: Finance

A BILL ENTITLED

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;

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

23 (3) Credit life insurance:

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

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

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

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

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

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