

**Department of Legislative Services**  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

House Bill 990 (Delegate Kach)

Economic Matters

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**Insurance - Premium Finance Companies - Return of Premiums after Cancellation  
of Insurance Contract**

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This bill provides that an insurer must return any unearned premiums to the premium finance company when an insurance contract is canceled regardless of whether the contract is canceled by the premium finance company, the insurer, or the insured. The bill also changes the computation of time in which the insurer is required to return the premium by adding that the premium must be returned within 45 days after receipt of notice of cancellation from the insured or the date the insurer cancels the contract. Under current law, the premium must be returned within 45 days after receipt of notice of cancellation from the premium finance company, or completion of any payroll audit necessary to determine the refund.

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**Fiscal Summary**

**State Effect:** None. The bill would not directly affect governmental operations or finances.

**Local Effect:** None.

**Small Business Effect:** Potential minimal.

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**Information Source(s):** Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - March 4, 1999

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