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By: **Senator Astle**  
Introduced and read first time: January 28, 2000  
Assigned to: Finance

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 14, 2000

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Property and Casualty Insurance - Disclosure of Nonrefundable Expense**  
3 **Constant**

4 FOR the purpose of requiring certain property and casualty insurers to disclose in a  
5 certain manner certain information relating to any nonrefundable expense  
6 constant imposed in connection with a policy; and generally relating to  
7 disclosure of information by insurers to insureds under policies of property and  
8 casualty insurance.

9 BY adding to  
10 Article - Insurance  
11 Section 12-307  
12 Annotated Code of Maryland  
13 (1997 Volume and 1999 Supplement)

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

16 **Article - Insurance**

17 12-307.

18 (A) THIS SECTION APPLIES TO INSURERS THAT ISSUE POLICIES OF PROPERTY  
19 INSURANCE OR CASUALTY INSURANCE IN THE STATE AND THAT IMPOSE  
20 NONREFUNDABLE EXPENSE CONSTANTS IN CONNECTION WITH THOSE POLICIES.

21 (B) EACH INSURER SUBJECT TO THIS SECTION SHALL:

1           (1)     DISCLOSE TO THE INSURED THE AMOUNT OF ANY NONREFUNDABLE  
2 EXPENSE CONSTANT IMPOSED IN CONNECTION WITH A POLICY OF PROPERTY  
3 INSURANCE OR CASUALTY INSURANCE; AND

4           (2)     ADVISE THE INSURED THAT THE NONREFUNDABLE EXPENSE  
5 CONSTANT:

6                   (I)     IS FULLY EARNED ON ISSUANCE OF THE POLICY; AND

7                   (II)    WILL NOT BE REFUNDED TO THE INSURED IN THE EVENT OF  
8 CANCELLATION OF THE POLICY.

9     (C)     THE INSURER SHALL DISCLOSE IN THE POLICY, IN WRITING, THE  
10 INFORMATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION ~~IN WRITING ON~~  
11 ~~THE POLICY DECLARATIONS PAGE OF THE POLICY.~~

12     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 October 1, 2000.