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2001 Regular Session
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By: Delegate Barve

Introduced and read first time: January 31, 2001

Assigned to: Economic Matters

## A BILL ENTITLED

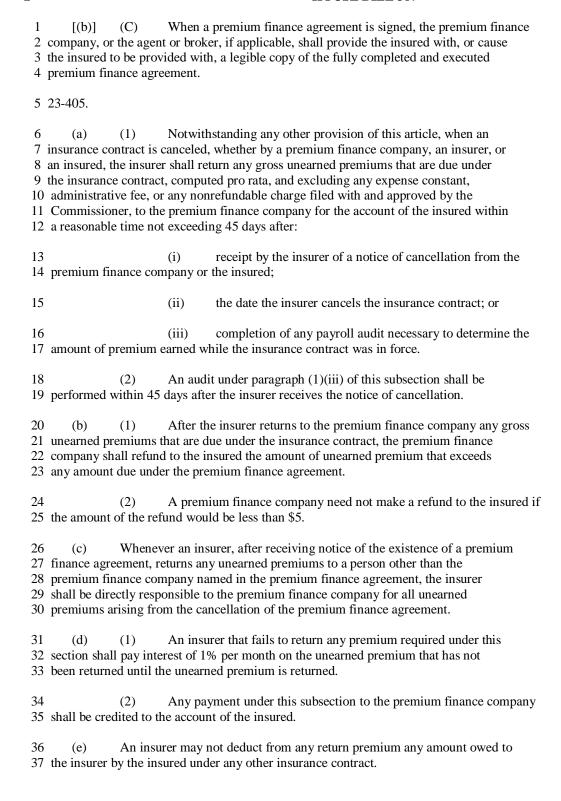
1 AN ACT concerning

## 2 Insurance - Premium Financing

- 3 FOR the purpose of requiring that a copy of a premium finance agreement or other
- 4 notice of a premium finance agreement be sent to certain surplus lines brokers
- 5 under certain circumstances; requiring an agent or broker to return certain
- 6 gross unearned commissions to an insurer when an insurance contract has been
- 7 canceled by a premium finance company, an insurer, or an insured; specifying
- 8 the time within which the gross unearned commissions must be returned; and
- 9 generally relating to notice of premium financing agreements and cancellation
- of insurance contracts financed under premium finance agreements.
- 11 BY repealing and reenacting, with amendments,
- 12 Article Insurance
- 13 Section 23-302 and 23-405
- 14 Annotated Code of Maryland
- 15 (1997 Volume and 2000 Supplement)
- 16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 17 MARYLAND, That the Laws of Maryland read as follows:
- 18 Article Insurance

19 23-302.

- 20 (a) A copy of each premium finance agreement or other notice of a premium
- 21 finance agreement that describes the policy or policies involved shall be given to the
- 22 agency issuing the policy or policies or to the insurers involved.
- 23 (B) IF A POLICY IS PROCURED THROUGH A SURPLUS LINES BROKER
- 24 LICENSED IN THE STATE, AND PAYMENT IS NOT MADE DIRECTLY TO THE SURPLUS
- 25 LINES BROKER OR THE INSURER, A COPY OF THE PREMIUM FINANCE AGREEMENT
- 26 OR OTHER NOTICE OF THE PREMIUM FINANCE AGREEMENT SHALL BE SENT TO THE
- 27 SURPLUS LINES BROKER.



- 1 (F) AN AGENT OR BROKER SHALL RETURN ANY GROSS UNEARNED
- 2 COMMISSIONS, CALCULATED AS PROVIDED IN SUBSECTION (A)(1) OF THIS SECTION,
- 3 TO AN INSURER WITHIN A REASONABLE TIME NOT EXCEEDING 45 DAYS AFTER THE
- 4 WRITTEN REQUEST OF THE INSURER.
- 5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 6 October 1, 2001.