

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 275
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “Companies -” insert “Calculation of Finance Charge - Return of Unearned Interest After”; in the same line, strike “- Return”; in line 3, strike “of Unearned Interest”; in line 4, after “of” insert “altering the calculation of the finance charge under premium finance agreements;”; in line 6, strike “pro rata” and substitute “in accordance with the actuarial method”; in line 7, after “the” insert “calculation of finance charges under premium finance agreements and the”; and in line 16, after “Section” insert “23-304 and”.

AMENDMENT NO. 2

On page 1, after line 21, insert:

“23-304.

The finance charge shall be computed:

(1) on the amount of the entire premium loan advanced, including any taxes or fees that are financed under § 23-301.1 of this subtitle, after subtracting any down payment on the premium loan made by the insured;

(2) from the inception date of the insurance contract or from the due date of the premium, disregarding any grace period or credit allowed for payment of the premium, through the date when the final installment under the premium finance agreement is payable; and

(3) at a rate not exceeding 1.15% for each 30 days [, charged in advance] ON THE OUTSTANDING BALANCE.”.

On page 2, in lines 16 and 17, strike “PRO RATA” and substitute “IN ACCORDANCE WITH THE ACTUARIAL METHOD”.