SB0938/613491/1

BY:    Economic Matters Committee

AMENDMENTS TO SENATE BILL 938
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike "Property and Casualty" and substitute "Personal Automobile"; in line 4, after "personal" insert "automobile"; in line 5, strike ", commercial property insurance, or commercial liability insurance"; in line 8, after "circumstances;" insert "requiring an insurer to continue or reinstate a certain policy or binder without a lapse of coverage under certain circumstances;"; in line 12, after "Act;" insert "providing for a delayed effective date;"; and in line 13, strike "property and casualty" and substitute "personal automobile".

AMENDMENT NO. 2

On page 2, in line 13, strike "**AN**" and substitute "**SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN**"; in the same line, after "**BINDER**" insert "**OF PERSONAL AUTOMOBILE INSURANCE**"; in line 22, after "**INITIAL**" insert "**PREMIUM**"; after line 23, insert:

"**(2)    AN INSURER SHALL CONTINUE OR REINSTATE A POLICY OR BINDER UNDER PARAGRAPH (1) OF THIS SUBSECTION WITHOUT A LAPSE IN COVERAGE IF:**

**(I)    1.    THE FINANCIAL INSTITUTION ERRONEOUSLY FAILED TO HONOR THE CHECK OR OTHER REMITTANCE; AND**

**2.    THE APPLICANT:**

**A.    PROMPTLY NOTIFIES THE INSURER OF THE ERROR; AND**

(Over)

      **B.**    **PROVIDES DOCUMENTATION OF THE ERROR TO THE INSURER AS IT BECOMES AVAILABLE AND ON REQUEST OF THE INSURER; OR**

      **(II)**    **THE APPLICANT OR ANY SECURED CREDITOR PAYS THE INSURER THE AMOUNT OF THE INITIAL PREMIUM WITHIN 5 BUSINESS DAYS AFTER THE INSURER HAS SENT NOTICE, AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, TO THE APPLICANT AND ANY SECURED CREDITOR THAT THE CHECK OR OTHER REMITTANCE FOR THE INITIAL PREMIUM PAYMENT WAS NOT HONORED.**";

in line 24, strike "**(2)**" and substitute "**(3)**"; and in line 32, after "**(I)**" insert "**1.**".

On page 3, in line 3, strike "**(II)**" and substitute "**2.**"; in line 5, strike "**(III)**" and substitute "**(II)**"; strike beginning with "**IF**" in line 5 down through "**ERROR,**" in line 6; in line 7, after "**IF**" insert "**:**

      **1.**    **THE FINANCIAL INSTITUTION ERRONEOUSLY FAILED TO HONOR THE CHECK OR OTHER REMITTANCE AND**";

in lines 9 and 11, strike "**1.**" and "**2.**", respectively, and substitute "**A.**" and "**B.**", respectively; in line 13, after "**INSURER**" insert "**; OR**

      **2.**    **THE APPLICANT OR ANY SECURED CREDITOR PAYS THE INSURER THE AMOUNT OF THE INITIAL PREMIUM WITHIN 5 BUSINESS DAYS AFTER THE INSURER HAS SENT NOTICE TO THE APPLICANT AND ANY SECURED CREDITOR THAT THE CHECK OR OTHER REMITTANCE FOR THE INITIAL PREMIUM PAYMENT WAS NOT HONORED**";

strike beginning with "personal" in line 15 down through "renewed" in line 16 and substitute "<u>personal automobile insurance issued or delivered</u>"; and in lines 17 and 19, in each instance, strike "October 1, 2012" and substitute "<u>January 1, 2013</u>".