

HOUSE BILL 317

C4
HB 406/09 – ECM

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By: **Delegates Holmes, Aumann, Barkley, Benson, Bobo, Cane, Carr, Davis, Doory, Elmore, Glenn, Griffith, Gutierrez, Healey, Hecht, Hixson, Howard, Ivey, Jennings, Kullen, McConkey, Montgomery, Murphy, Nathan–Pulliam, Niemann, Pena–Melnik, Proctor, Ross, Smigiel, Sophocleus, Sossi, Tarrant, F. Turner, Valderrama, Vaughn, Waldstreicher, Walker, and Weir**

Introduced and read first time: January 27, 2010

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Automobile Insurance Fund – Acceptance of Premiums on**
3 **Installment Basis**

4 FOR the purpose of authorizing the Maryland Automobile Insurance Fund to accept
5 premiums on an installment basis under certain circumstances; requiring the
6 Maryland Insurance Commissioner to ensure certain provisions of the Fund’s
7 installment payment plan; prohibiting the Fund from discriminating among
8 insureds in a certain manner; prohibiting the Fund from paying a higher
9 commission to certain producers; requiring certain written and electronic
10 communications to include a certain statement under certain circumstances;
11 requiring the Executive Director of the Fund, in consultation with the
12 Commissioner and other State agencies, to develop certain criteria for a certain
13 evaluation of the impact and effectiveness of the Fund’s installment payment
14 plan; requiring the Fund to determine certain information and the Board of
15 Trustees of the Fund to certify the information to the Board of Directors of the
16 Industry Automobile Insurance Association on or before a certain date each
17 year; requiring the Executive Director of the Fund to submit on or before a
18 certain date each year a certain report to the Commissioner; authorizing the
19 Commissioner to make a certain determination under certain circumstances;
20 requiring the Commissioner to retain a certain actuary and to hold a certain
21 hearing under certain circumstances; requiring the Commissioner to make a
22 certain determination on certain dates; requiring a premium finance company,
23 in the event of a cancellation of a certain insurance policy, to credit to a certain
24 account or refund to a certain insured a certain amount within a certain time;
25 requiring an independent insurance producer to provide a certain disclosure
26 under certain circumstances; requiring the Commissioner to study the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 enforcement of eligibility criteria for insurance coverage in the Fund; requiring
 2 the Fund to provide certain information to the Office of Legislative Audits on or
 3 before a certain date; requiring the Office to evaluate the overall costs of the
 4 Fund's installment payment plan on or before a certain date; requiring the
 5 Commissioner to submit certain reports; requiring the Office to submit a certain
 6 report; providing for the application of certain provisions of this Act; providing
 7 for the effective dates of this Act; making a certain technical correction; and
 8 generally relating to accepting premiums on an installment basis on policies
 9 issued by the Maryland Automobile Insurance Fund.

10 BY repealing and reenacting, without amendments,
 11 Article – Insurance
 12 Section 20–101(a) and (g)
 13 Annotated Code of Maryland
 14 (2006 Replacement Volume and 2009 Supplement)

15 BY repealing and reenacting, with amendments,
 16 Article – Insurance
 17 Section 20–404, 20–507, 23–304, and 23–505.2
 18 Annotated Code of Maryland
 19 (2006 Replacement Volume and 2009 Supplement)

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

22 **Article – Insurance**

23 20–101.

24 (a) In this title the following words have the meanings indicated.

25 (g) “Fund” means the Maryland Automobile Insurance Fund.

26 20–404.

27 (a) On or before March 15 of each year, the Fund shall determine and the
 28 Board of Trustees shall certify to the Board of Directors the information required
 29 under subsections (b) [and], (c), AND (G)(1) of this section.

30 (b) Subject to subsection (f) of this section, the following information certified
 31 to the Board of Directors shall be separately identified by commercial auto and private
 32 passenger auto results:

33 (1) the statutory operating loss for the immediately preceding
 34 calendar year;

1 (2) a calculation to yield a private passenger auto assessment limit
2 that is determined by subtracting the year-end total surplus of the Fund for the
3 immediately preceding calendar year from an amount equal to 25% of the average of
4 net direct written private passenger auto premiums of the Fund for each of the [three]
5 **3** immediately preceding calendar years; and

6 (3) a calculation to yield a commercial auto assessment limit that is
7 determined by subtracting the year-end commercial auto surplus of the Fund for the
8 immediately preceding calendar year from an amount equal to 25% of the average of
9 net direct written commercial auto premiums of the Fund for each of the 3
10 immediately preceding calendar years.

11 (c) The assessment certified to the Board of Directors shall be equal to:

12 (1) subject to subsection (d) of this section, the assessment limit, if the
13 assessment limit is less than or equal to the statutory operating loss; or

14 (2) the statutory operating loss, if the assessment limit is greater than
15 the statutory operating loss.

16 (d) If the calculation under subsection (b)(2) of this section yields a number
17 that is less than or equal to zero, the assessment limit is zero.

18 (e) The statutory operating loss or assessment certified to the Board of
19 Directors may not include:

20 (1) assessment moneys received for a prior year; or

21 (2) moneys transferred between the commercial auto and private
22 passenger auto divisions within the Fund.

23 (f) In a calculation made under this section, income or expenses not clearly
24 attributable to either commercial auto or private passenger auto may be allocated pro
25 rata for that year.

26 **(G) (1) ON OR BEFORE MARCH 31 OF EACH YEAR, THE EXECUTIVE**
27 **DIRECTOR SHALL SUBMIT A REPORT TO THE COMMISSIONER ON:**

28 **(I) THE PRIOR YEAR-END TOTAL SURPLUS OF THE FUND;**
29 **AND**

30 **(II) THE PRIOR YEAR NET DIRECT WRITTEN PRIVATE**
31 **PASSENGER AUTO PREMIUMS OF THE FUND.**

32 **(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (V) OF THIS**
33 **PARAGRAPH, AS THE COMMISSIONER DETERMINES NECESSARY, THE**

1 COMMISSIONER MAY MAKE A DETERMINATION AS TO WHETHER THE SURPLUS IS
2 EXCESSIVE.

3 (II) IN MAKING A DETERMINATION AS TO WHETHER THE
4 SURPLUS IS EXCESSIVE, THE COMMISSIONER SHALL:

5 1. RETAIN AN INDEPENDENT ACTUARY IN
6 ACCORDANCE WITH § 7-307 OF THIS ARTICLE; AND

7 2. HOLD A PUBLIC HEARING.

8 (III) IF THE COMMISSIONER DETERMINES THAT THE
9 SURPLUS IS EXCESSIVE, THE COMMISSIONER SHALL SUBMIT A REPORT, IN
10 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE
11 SENATE FINANCE COMMITTEE AND THE HOUSE ECONOMIC MATTERS
12 COMMITTEE OF THE GENERAL ASSEMBLY ON:

13 1. THE STATUS OF THE SURPLUS; AND

14 2. THE COMMISSIONER'S RECOMMENDATIONS, IN
15 ACCORDANCE WITH SUBPARAGRAPH (IV) OF THIS PARAGRAPH, FOR POTENTIAL
16 DISTRIBUTIONS OF ANY EXCESS SURPLUS, INCLUDING PREMIUM RATE
17 ADJUSTMENTS FOR FUND INSUREDS IN ACCORDANCE WITH § 20-507(D) OF
18 THIS TITLE.

19 (IV) THE RECOMMENDATIONS OF THE COMMISSIONER
20 UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH SHALL:

21 1. CONSIDER THE TRENDS OF THE:

22 A. ANNUAL YEAR-END TOTAL SURPLUS OF THE
23 FUND; AND

24 B. ANNUAL NET DIRECT WRITTEN PRIVATE
25 PASSENGER AUTO PREMIUMS OF THE FUND; AND

26 2. BE CONSISTENT WITH THE FACT THAT:

27 A. SURPLUS FUNDS WERE DERIVED FROM
28 COMMERCIAL AUTO AND PRIVATE PASSENGER AUTO PREMIUMS AND THE
29 INVESTMENT EARNINGS ON THOSE PREMIUMS;

1 **B. AN ADEQUATE LEVEL OF SURPLUS PROTECTS THE**
2 **DRIVING PUBLIC FROM AN ASSESSMENT AUTHORIZED UNDER THIS SUBTITLE;**
3 **AND**

4 **C. THE TOTAL SURPLUS GROWS AND DIMINISHES**
5 **DEPENDING ON EXTERNAL MARKET FORCES.**

6 **(V) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS**
7 **PARAGRAPH, THE COMMISSIONER, IN ACCORDANCE WITH THIS PARAGRAPH,**
8 **SHALL MAKE A DETERMINATION AS TO WHETHER THE SURPLUS IS EXCESSIVE**
9 **AND SUBMIT A REPORT:**

10 **1. ON OR BEFORE OCTOBER 1, 2010; AND**

11 **2. ON OR BEFORE OCTOBER 1, 2013, OR 2 YEARS**
12 **FOLLOWING THE INCEPTION OF THE OFFERING OF AN INSTALLMENT PAYMENT**
13 **PLAN OPTION BY THE FUND UNDER § 20-507(G) OF THIS TITLE, WHICHEVER IS**
14 **LATER.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
16 read as follows:

17 **Article – Insurance**

18 20-507.

19 (a) Subject to the approval of the Commissioner, the Executive Director shall
20 determine the premiums to be charged on policies issued by the Fund.

21 (b) (1) Except as provided in subsection (c) of this section, the provisions
22 of Title 11, Subtitle 2 of this article apply to the determination of premiums by the
23 Executive Director.

24 (2) Notwithstanding Title 11, Subtitle 2 of this article or any other
25 provision of this title, the Executive Director may base premiums on one or both of the
26 following items:

27 (i) the number of points accumulated by an insured or
28 applicant for insurance under the point system provided for in Title 16, Subtitle 4 of
29 the Transportation Article; or

30 (ii) the prior claims experience of an insured or applicant for
31 insurance.

32 (c) (1) Premiums for all commercial coverage shall be determined in
33 accordance with this section and § 20-508 of this subtitle.

1 (2) Notwithstanding paragraph (1) of this subsection, the rating
2 principles under subsection (d) of this section may not be used to determine the
3 premium for commercial coverage.

4 (d) In reviewing rates filed by the Fund, the Commissioner shall consider not
5 only the rating principles under Title 11, Subtitle 2 of this article but also the
6 statutory purpose of the Fund under § 20–301 of this title.

7 (e) (1) The Motor Vehicle Administration and Executive Director may
8 arrange for the Motor Vehicle Administration to collect premiums on policies issued by
9 the Fund when the Motor Vehicle Administration issues a driver's license or certificate
10 of registration.

11 (2) A premium collected under this subsection shall be paid to the
12 State Treasurer for the account of the Fund.

13 (f) (1) The Fund may not:

14 (i) provide directly or indirectly for the financing of premiums;
15 or

16 (ii) **EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS**
17 **SECTION, accept premiums on an installment basis.**

18 (2) A premium may be financed only by a premium finance company
19 registered with the Commissioner in accordance with § 23–201 of this article.

20 (3) If a prospective insured's initial payment to the Fund, a fund
21 producer, or premium finance company is not honored, a policy or endorsement issued
22 in reliance on that payment is void.

23 **(G) (1) (I) SUBJECT TO THE APPROVAL OF THE COMMISSIONER**
24 **AND IN ACCORDANCE WITH THIS SUBSECTION, THE FUND MAY ACCEPT**
25 **PREMIUMS ON AN INSTALLMENT BASIS ONLY ON 12-MONTH PERSONAL LINES**
26 **POLICIES.**

27 **(II) IN APPROVING THE FUND'S PLAN FOR ACCEPTING**
28 **PREMIUMS ON AN INSTALLMENT BASIS, THE COMMISSIONER SHALL ENSURE**
29 **THAT THE FUND'S INSTALLMENT PAYMENT PLAN:**

30 **1. REQUIRES AN INSURED'S INITIAL PREMIUM**
31 **PAYMENT TO BE NO LESS THAN 10% OF THE TOTAL PREMIUM;**

32 **2. IS STRUCTURED AND ADMINISTERED TO ENSURE**
33 **THAT THE FUND AT NO TIME PROVIDES INSURANCE COVERAGE TO AN INSURED**

1 FOR A PERIOD DURING WHICH THE FUND HAS NOT RECEIVED THE
2 ACTUARIALLY JUSTIFIED PREMIUM PAYMENT;

3 3. OFFERS NO MORE THAN 12 INSTALLMENT
4 PAYMENTS ON THE 12-MONTH POLICY;

5 4. ALLOWS INSUREDS TO MAKE AN INITIAL PREMIUM
6 PAYMENT AND INSTALLMENT PAYMENTS IN ANY COMMERCIALY ACCEPTABLE
7 FORM, WHICH SHALL INCLUDE PAYMENT BY CHECK, CREDIT CARD, OR
8 ELECTRONIC TRANSFER; AND

9 5. ALLOWS THE FUND TO IMPOSE AN
10 ADMINISTRATIVE PROCESSING FEE ON INSUREDS PARTICIPATING IN THE
11 INSTALLMENT PAYMENT PLAN OF NO MORE THAN \$8 PER INSTALLMENT
12 PAYMENT.

13 (2) THE FUND MAY NOT DISCRIMINATE AMONG INSUREDS BY
14 CHARGING A DIFFERENT WRITTEN OR EARNED PREMIUM BASED ON THE
15 PAYMENT OPTION SELECTED BY AN INSURED OR ON WHETHER THE FUND
16 PRODUCER IS EMPLOYED BY A PUBLIC ENTITY OR PRIVATE ENTITY.

17 (3) THE FUND MAY NOT PAY A HIGHER COMMISSION TO A FUND
18 PRODUCER WHO PLACES AN INSURED IN AN INSTALLMENT PAYMENT PLAN
19 OVER ANY OTHER PAYMENT OPTION, INCLUDING A PREMIUM FINANCE
20 AGREEMENT.

21 (4) (I) IN ACCORDANCE WITH THIS PARAGRAPH, WRITTEN AND
22 ELECTRONIC COMMUNICATIONS, INCLUDING THE FUND'S WEBSITE, AFFECTING
23 THE PLACEMENT OF COVERAGE BY THE FUND OR A FUND PRODUCER SHALL
24 INCLUDE A STATEMENT, ON A FORM APPROVED BY THE COMMISSIONER,
25 ADVISING AN APPLICANT OR AN INSURED OF THE PAYMENT OPTIONS
26 AVAILABLE TO THE APPLICANT OR THE INSURED.

27 (II) THE STATEMENT SHALL STATE THAT THE APPLICANT
28 OR INSURED HAS THE FOLLOWING PAYMENT OPTIONS:

29 1. THE FUND'S INSTALLMENT PAYMENT PLAN;

30 2. A PREMIUM FINANCE AGREEMENT; OR

31 3. PAYMENT OF THE POLICY IN FULL.

32 (III) THE STATEMENT SHALL BE INCLUDED ON WRITTEN OR
33 ELECTRONIC COMMUNICATIONS AT THE TIME THE APPLICANT OR INSURED:

- 1 1. IS ISSUED A NEW POLICY;
- 2 2. IS ISSUED A REISSUANCE, REWRITE, OR RENEWAL
- 3 OF AN EXISTING POLICY; OR
- 4 3. INCURS ADDITIONAL PREMIUMS UNDER AN
- 5 EXISTING POLICY.

6 (IV) THE STATEMENT SHALL STATE THAT THE APPLICANT

7 OR INSURED SHOULD CONSULT A FUND PRODUCER WHO WILL FULLY DESCRIBE

8 THE TERMS OF EACH PAYMENT OPTION.

9 (5) (I) THE EXECUTIVE DIRECTOR, IN CONSULTATION WITH

10 THE COMMISSIONER AND OTHER STATE AGENCIES AS APPROPRIATE, SHALL

11 DEVELOP CRITERIA FOR EVALUATING THE IMPACT AND EFFECTIVENESS OF THE

12 FUND'S INSTALLMENT PAYMENT PLAN.

13 (II) THE EVALUATION SHALL INCLUDE THE IMPACT OF THE

14 PLAN ON:

- 15 1. THE COST OF AUTOMOBILE INSURANCE;
- 16 2. THE NUMBER OF INSURED AND UNINSURED
- 17 MOTORISTS IN THE STATE;
- 18 3. THE NUMBER OF POLICIES IN FORCE BY
- 19 GEOGRAPHIC AREA;
- 20 4. THE DURATION OF POLICIES IN FORCE; AND
- 21 5. THE FREQUENCY OF PAYMENT METHODS USED BY
- 22 INSUREDS, INCLUDING THE FUND'S INSTALLMENT PAYMENT PLAN, PREMIUM
- 23 FINANCE AGREEMENTS, AND CASH AND CREDIT CARD PAYMENTS.

24 (III) ON OR BEFORE MARCH 31 OF EACH YEAR, THE FUND

25 SHALL REPORT TO THE COMMISSIONER ON THE IMPACT AND EFFECTIVENESS

26 OF THE FUND'S INSTALLMENT PAYMENT PLAN FOR THE PRIOR YEAR BASED ON:

- 27 1. THE EVALUATION CRITERIA DEVELOPED UNDER
- 28 SUBPARAGRAPH (I) OF THIS PARAGRAPH; AND
- 29 2. THE LIMITATIONS OF THE TERMS OF THE PLAN
- 30 UNDER PARAGRAPH (1)(II)1 AND 3 OF THIS SUBSECTION.

1 **(6) (I) ON RECEIPT OF THE REPORT UNDER PARAGRAPH**
2 **(5)(III) OF THIS SUBSECTION, THE COMMISSIONER SHALL MAKE A**
3 **DETERMINATION ON THE IMPACT AND EFFECTIVENESS OF THE FUND'S**
4 **INSTALLMENT PLAN, INCLUDING A REVIEW OF COMPLAINTS RECEIVED BY THE**
5 **COMMISSIONER RELATING TO THE FUND'S INSTALLMENT PAYMENT PLAN AND**
6 **TO PREMIUM FINANCE AGREEMENTS.**

7 **(II) ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE**
8 **COMMISSIONER SHALL SUBMIT A REPORT, IN ACCORDANCE WITH § 2-1246 OF**
9 **THE STATE GOVERNMENT ARTICLE, TO THE SENATE FINANCE COMMITTEE**
10 **AND THE HOUSE ECONOMIC MATTERS COMMITTEE ON:**

11 **1. THE IMPACT AND EFFECTIVENESS OF THE FUND'S**
12 **INSTALLMENT PAYMENT PLAN; AND**

13 **2. THE COMMISSIONER'S DETERMINATION UNDER §**
14 **20-404(G)(2)(I) OF THIS SUBTITLE.**

15 23-505.2.

16 (a) An insurer that markets through independent insurance producers as
17 defined in this article may not discriminate, intimidate, or retaliate against an
18 insurance producer or insured that uses premium financing by denying the insurance
19 producer or insured the same rights accorded to insurance producers or insureds who
20 pay premiums in a different manner.

21 (b) **(1)** With respect to personal lines automobile insurance **OTHER THAN**
22 **INSURANCE WRITTEN THROUGH THE MARYLAND AUTOMOBILE INSURANCE**
23 **FUND**, an independent insurance producer, who directly or indirectly has an
24 ownership interest in a premium finance company, shall provide a disclosure to be
25 signed by the insured comparing the costs and terms of premium financing with the
26 insurer's alternative payment plan.

27 **(2) WITH RESPECT TO PERSONAL LINES AUTOMOBILE**
28 **INSURANCE WRITTEN THROUGH THE MARYLAND AUTOMOBILE INSURANCE**
29 **FUND, AN INDEPENDENT INSURANCE PRODUCER SHALL PROVIDE A**
30 **DISCLOSURE TO BE SIGNED BY THE INSURED COMPARING THE COSTS AND**
31 **TERMS OF PREMIUM FINANCING AND THE FUND'S INSTALLMENT PAYMENT**
32 **PLAN.**

33 (c) The disclosure required by subsection (b) of this section shall:

34 (1) state the total amount to be paid by the insured under the
35 premium finance agreement during the policy term, including premium, any down

1 payment, and all interest, fees, and charges incident to the premium finance
2 agreement and resulting extension of credit; and

3 (2) state the total amount to be paid by the insured under the
4 insurer's alternative payment plan during the policy term, including premium, any
5 down payment, and all fees and charges incident to the alternative payment plan.

6 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
7 read as follows:

8 Article – Insurance

9 23–304.

10 (A) The finance charge shall be computed:

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

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

18 (3) at a rate not exceeding 1.15% for each 30 days, charged in advance.

19 (B) **IN THE EVENT OF A CANCELLATION OF A MARYLAND AUTOMOBILE**
20 **INSURANCE FUND POLICY, THE PREMIUM FINANCE COMPANY, WITHIN 15 DAYS**
21 **AFTER RECEIPT OF THE UNEARNED PREMIUM ON THE POLICY OF AN INSURED,**
22 **SHALL CREDIT TO THE INSURED'S ACCOUNT OR REFUND TO THE INSURED:**

23 (1) **ANY UNEARNED PREMIUMS DUE UNDER THE POLICY; AND**

24 (2) **ANY UNEARNED FINANCE CHARGES, CALCULATED BY THE**
25 **ACTUARIAL METHOD.**

26 SECTION 4. AND BE IT FURTHER ENACTED, That:

27 (a) On or before December 31, 2010, the Maryland Insurance Commissioner
28 shall study the enforcement of eligibility criteria for insurance coverage in the
29 Maryland Automobile Insurance Fund and submit a report, in accordance with §
30 2–1246 of the State Government Article, to the Senate Finance Committee and the
31 House Economic Matters Committee;

32 (b) The study of the enforcement of eligibility criteria for insurance coverage
33 in the Fund shall include:

1 (1) the effectiveness of current procedures to enforce the requirement
2 that applicants be declined coverage by at least two private automobile insurers;

3 (2) the number and percentage of Fund insureds with continuous
4 coverage in the Fund for a period of more than 1 year; and

5 (3) the number and percentage of Fund insureds with continuous
6 coverage in the Fund for a period of more than 1 year and with no moving violations or
7 chargeable accidents; and

8 (c) The report shall include the Commissioner's findings and
9 recommendations to encourage Fund insureds to obtain coverage from private
10 insurers.

11 SECTION 5. AND BE IT FURTHER ENACTED, That:

12 (a) On or before March 1, 2012, the Maryland Automobile Insurance Fund
13 shall provide to the Office of Legislative Audits a report on the Fund's installment
14 payment plan from its inception of the offering of the installment payment plan
15 through December 31, 2011, which includes:

16 (1) the number and cost of full-time and part-time Fund employees
17 used;

18 (2) the costs of establishing the program, including consultants and
19 vendors, new software purchased, modified, or developed internally, and new
20 hardware and other physical plant added;

21 (3) the costs of operating the program, including printing, mailing,
22 payment processing, and management;

23 (4) the reduction in investment income caused by implementation of
24 the installment payment plan billing;

25 (5) the amount of earned but uncollected premium and costs
26 associated with collecting bad debt;

27 (6) the payment methods used by insureds, including the extent to
28 which insureds use the Fund's installment payment plan, premium finance
29 agreements, credit cards, and cash payments; and

30 (7) any other pertinent information the Office requests from the Fund
31 or the Maryland Insurance Commissioner.

32 (b) On or before June 30, 2012, the Office of Legislative Audits shall evaluate
33 the overall costs of the Fund's installment payment plan and submit a report, in

1 accordance with § 2-1246 of the State Government Article, to the Senate Finance
2 Committee and the House Economic Matters Committee.

3 SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
4 take effect October 1, 2010, and shall apply to all policies and contracts issued by the
5 Maryland Automobile Insurance Fund on or after October 1, 2010.

6 SECTION 7. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
7 take effect July 1, 2011, and shall apply to all premium finance agreements entered
8 into on or after July 1, 2011.

9 SECTION 8. AND BE IT FURTHER ENACTED, That, except as provided in
10 Sections 6 and 7 of this Act, this Act shall take effect July 1, 2010.