

CHAPTER 647

(House Bill 171)

AN ACT to add new Section 240C to Article 48A of the Annotated Code of Maryland (1964 Replacement Volume), title "Insurance," subtitle "Unfair Trade Practices," to follow immediately after Section 240B thereof, to declare unlawful the ~~practice~~ PRACTICES of charging credit life OR DISABILITY insurance PREMIUMS without the express written consent of the debtor AND OF COMPUTING A SERVICE CHARGE IN A RETAIL CREDIT ACCOUNT UPON PREMIUMS DUE UNDER A POLICY OF CREDIT LIFE OR DISABILITY INSURANCE.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That new Section 240C be and it is hereby added to Article 48A of the Annotated Code of Maryland (1964 Replacement Volume), title "Insurance," subtitle "Unfair Trade Practices," to follow immediately after Section 240B thereof, and to read as follows:

240C.

(a) *No person shall make, issue or charge, or cause to be made, issued or charged to any individual, any type of credit life OR DISABILITY insurance PREMIUM without the express written consent of that individual.*

(b) *For the purposes of this section, "credit life insurance" means any type of insurance which will pay all or part of an individual's debt upon his death.*

(b) THE COMPUTATION OF A SERVICE CHARGE IN A RETAIL CREDIT ACCOUNT SHALL NOT BE BASED IN ANY PART UPON THE PREMIUMS DUE UNDER A POLICY OF CREDIT LIFE OR DISABILITY INSURANCE. FOR THE PURPOSES OF THIS SUBSECTION, THE TERMS "SERVICE CHARGE" AND "RETAIL CREDIT ACCOUNT" SHALL HAVE THE SAME DEFINITION GIVEN THOSE TERMS IN SECTIONS 153A(e) AND 153A(h), RESPECTIVELY, OF ARTICLE 83 OF THIS CODE (1957 EDITION, AS AMENDED).

(c) FOR THE PURPOSES OF THIS SECTION, "CREDIT LIFE OR DISABILITY INSURANCE" MEANS ANY TYPE OF INSURANCE WHICH WILL PAY ALL OR PART OF AN INDIVIDUAL'S DEBT UPON HIS DEATH OR DISABILITY.

SEC. 2. *And be it further enacted,* That this Act shall take effect July 1, 1968.

Approved May 7, 1968.

CHAPTER 648

(House Bill 183)

AN ACT to add new Sections ~~718 and 719~~ SECTION 54A to Article 43 of the Annotated Code of Maryland (1965 Replacement