CHAPTER 504

(House Bill 286)

AN ACT concerning

Maryland Automobile Insurance Fund - Claims Operations ~~and Refund Penalties~~

FOR the purpose of authorizing employees of the Maryland Automobile Insurance Fund to record, with consent, statements of policyholders, claimants, and other appropriate parties in order to preserve necessary and relevant evidence~~; prohibiting the imposition of a certain penalty; and generally relating to claims operations and refund penalties of the Maryland Automobile Insurance Fund~~.

BY adding to

Article 48A - Insurance Code
Section ~~243B(b)(4) and~~ 243F(c)
Annotated Code of Maryland
(1986 Replacement Volume and 1988 Supplement)

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

Article 48A - Insurance Code

~~243B.~~

~~(b) (4) IN THE EVENT A POLICY ISSUED BY THE FUND IS CANCELED BY A PERSON OTHER THAN THE FUND OR CANCELED FOR NONPAYMENT OF PREMIUM, THE FUND MAY NOT IMPOSE ANY SHORT RATE PENALTY BY REFUNDING AN AMOUNT LESS THAN THE PRO RATA UNEARNED GROSS PREMIUM, INCLUDING ANY UNEARNED COMMISSIONS.~~

243F.

(C) NOTWITHSTANDING THE PROVISIONS OF ARTICLE 27, § 555B OF THE CODE, IF THE PARTY BEING RECORDED IS ADVISED IN ADVANCE OF THE RECORDING AND THEREAFTER CONSENTS TO THE RECORDING, THE EXECUTIVE DIRECTOR MAY AUTHORIZE EMPLOYEES OF THE FUND TO ~~MONITOR OR~~ RECORD ANY TELEPHONE CONVERSATION RELEVANT TO AN ACCIDENT OR CLAIM WITH A POLICYHOLDER, WITNESS, CLAIMANT, INVESTIGATING OFFICER, OR OTHER INTERESTED PARTY WHO HAS OR MIGHT HAVE INFORMATION RELEVANT TO ~~AN~~ THE ACCIDENT OR CLAIM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1989.