

Preamble

It is the declared policy of the legislature that enforcement of this State's compulsory insurance laws is important to the well-being and safety of the citizens of this State. The General Assembly finds that the growing number of uninsured motorists in this State is a serious concern. Further, this is a problem that deserves the attention of all three branches of government. The attention that has been given to this problem has been lacking in the past and has attributed in some degree to the growth in the number of uninsured motorists. Without the concerted efforts of each branch of government this problem cannot be solved. It is the intent of the General Assembly to address this problem by the passage of this Act; now, therefore,

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

Article 48A - Insurance Code

240AA.

[(c-1) In addition to the requirements of subsection (b) of this section, an insurer shall promptly send to the Motor Vehicle Administration a copy of any notice to cancel or not renew a motor vehicle liability insurance policy.]

243B.

(c) The Fund shall pay a commission determined by the board of trustees but not to exceed 12 percent of the total policy premiums, to the producer of a policyholder licensed in this State to whom a policy of insurance is issued by the Fund. ALL COMMISSIONS PAID BY THE FUND SHALL BE FULLY EARNED. A COMMISSION SHALL BE DEEMED "FULLY EARNED" WHEN A VALID CONTRACT OF INSURANCE IS MADE WITH THE FUND, AT ISSUANCE OF AN INITIAL POLICY OR ENDORSEMENT THEREOF, AS AND WHEN THE CORRECT AND CORRECTLY RATED PREMIUM IS FULLY PAID TO THE FUND, EXCEPT WHEN:

(1) A PROSPECTIVE INSURED FAILS TO QUALIFY UNDER SUBSECTION (A) OF THIS SECTION, IN WHICH EVENT ANY POLICY ISSUED SHALL BE VOID AB INITIO, OR

(2) A PROSPECTIVE INSURED'S INITIAL PAYMENT TO THE FUND, OR A BROKER, AGENT, OR PREMIUM FINANCE COMPANY, IS NOT HONORED, IN WHICH EVENT ANY POLICY OR ENDORSEMENT ISSUED IN RELIANCE ON SUCH PAYMENT SHALL BE VOID AB INITIO.

486F.

(f) Whenever an insurance contract is cancelled in accordance with this section, the insurer shall return whatever gross unearned premiums are due under the contract, EXCLUSIVE OF