

**CHAPTER 541**

**(House Bill 390)**

AN ACT concerning

**Insurance – Surplus Lines Insurance – Authorized Procurement**

FOR the purpose of ~~prohibiting the procurement of surplus lines insurance for~~ repealing a certain provision of law that provides that surplus lines insurance may be procured from an unauthorized insurer if the surplus lines insurance is not procured to replace coverage for condominium associations that are insured by an authorized insurer and for which a certain renewal offer has been made; making technical changes; and generally relating to procurement of surplus lines insurance.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 3-306

Annotated Code of Maryland

(2003 Replacement Volume and 2004 Supplement)

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

**Article – Insurance**

3-306.

(a) Surplus lines insurance may be procured from an unauthorized insurer if:

(1) for surplus lines insurance procured through a ~~broker~~ **LICENSED INSURANCE PRODUCER**, the surplus lines insurance is procured through a qualified surplus lines broker;

(2) subject to the provisions of § 3-306.1 of this subtitle, a diligent search is made among the authorized insurers that are writing the particular kind and class of insurance in the State;

(3) except for insurance against liability of persons described in § 24-206(1) of this article, the amount of surplus lines insurance procured from an unauthorized insurer is only the excess over the amount that can be procured from authorized insurers;

(4) for insurance against liability of persons described in § 24-206(1) of this article, the insurance cannot be obtained from three or more authorized insurers that are writing on a broad basis that particular kind and class of insurance;

(5) except as provided in subsection (b) of this section, the surplus lines insurance is not procured: