

243B.

(f) (1) If, after demand has been made by the Fund, the producer fails to pay any money that is due the Fund as a result of the binding or change of coverage, or as a result of any commission paid to the producer on any policy that is cancelled after the effective date of coverage, the Fund may refuse to accept further applications from the producer, terminate the authority of the producer to bind coverage with the Fund, or both.

(2) (1) EVERY PRODUCER IS A FIDUCIARY AS TO ALL PREMIUM, RETURN PREMIUM, OR OTHER MONEYS RECEIVED BY THE PRODUCER IN A FIDUCIARY SUCH CAPACITY, WHETHER CONNECTION WITH:

1. ANY POLICY ISSUED BY, TO BE ISSUED BY, OR BOUND IN THE FUND; OR

2. ANY APPLICATION FOR A POLICY ISSUED BY, TO BE ISSUED BY, OR BOUND IN THE FUND.

(II) THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH APPLY REGARDLESS OF WHETHER THE PREMIUM, RETURN PREMIUM, OR OTHER MONEYS RECEIVED BY THE PRODUCER WERE RECEIVED FROM:

1. A POLICYHOLDER;
2. AN APPLICANT FOR A POLICY;
3. THE FUND;
4. A PREMIUM FINANCE COMPANY; OR
5. ANY OTHER PERSON.

~~(H)~~ (III) EVERY PRODUCER SHALL DEPOSIT IN AN ESCROW A PREMIUM ACCOUNT AS TRUST FUNDS ALL MONEYS RECEIVED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, TO BE ACCOUNTED FOR AND PAID OVER AS MAY BE REQUIRED BY LAW.

243L.

As used in this subtitle:

(1) "Producer" means any agent, including any independent agent, or broker qualified in this State who has applied for and received a Producer Authorization Code from the Fund.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1990.