

SECTION 1. *Be it enacted by the General Assembly of Maryland, That a new section be, and the same is hereby added to Article 48A of Flack's Annotated Code of Maryland (1939 Edition), title "Insurance", sub-title "General Provisions", to follow immediately after Section 68 and to read as follows:*

68A. PROHIBITING DOMESTIC INSURANCE COMPANIES TRANSACTING BUSINESS IN OTHER JURISDICTIONS WITHOUT A LICENSE. It shall be unlawful for any insurance company, whether stock or mutual, reciprocal exchange or inter-insurers, Lloyds Association, non-profit hospital association, fraternal beneficiary association or any other plan of insurers, organized under the laws of this State, or any agent or representative of such insurers, to solicit and accept risks by advertisement or otherwise in any jurisdiction in which such Company is not licensed in accordance with the laws of such jurisdiction.

Whenever the Insurance Commissioner shall have good and sufficient evidence that any insurer, or any agent or representative thereof, has wilfully violated this section, he shall notify such insurer or such agent thereof that if such violation is continued, he may suspend or revoke the license of such insurer, if organized under the laws of this State, or of such agent or representative thereof, for such length of time as the Commissioner may think proper, unless such insurer or such agent or representative thereof shall show cause on or before a certain date, not less than twenty days from the date of such notice, why its or his license should not be suspended or revoked. Such notice shall be in writing and shall be served upon said insurer or upon such agent or representative of such insurer by registered letter addressed to the last known address of such insurer, agent or representative; provided, however, that such insurer or such agent or representative thereof shall have a right of appeal from the action of the Commissioner, in suspending or revoking any license, to any court of competent jurisdiction within this State; provided, however, that the foregoing provisions shall not apply to a domestic company when the major portion of risks written as a group originated in a jurisdiction wherein such company was licensed to transact such class or classes of business and when such origin was by other means than by circularization or by advertising locally in any such jurisdiction wherein such company is not licensed. The term 'transacting business', as used herein, shall be defined to include, in addition to its usual interpretation, advertising in any publication, the circulation of which is confined to any foreign jurisdiction in which such company is not licensed, or circularizing in any such jurisdiction without regard for the source of such circularization, whenever such advertising locally or such circularization is for the purpose of solicitation of insurance business."