

### 13. SURPLUS LINES

#### 183. Surplus Line Insurance Law; Title.

This subtitle constitutes and may be referred to as the "Surplus Line Insurance Law".

#### 184. Surplus Lines Insurance Authorized.

If the full amount or policy of insurance required to protect the interest of the insured cannot be obtained from insurers who are authorized to do business in this State, such surplus amount or policy, hereinafter designated as surplus line, may be procured from unauthorized insurers subject to the following conditions:

(a) ~~The~~ IF PROCURED THROUGH A BROKER, THE insurance must be procured through a licensed surplus line broker ~~RESIDENT OR LICENSED IN MARYLAND~~;

(b) The insurance must be eligible as surplus line in accordance with the provisions of this subsection.

(1) A diligent search and effort must be made among the insurers who are authorized to transact and are actually writing the particular kind and class of insurance in this State, and the amount of insurance eligible for an unauthorized insurer is only the excess over the amount procurable from authorized insurers.

(2) The insurance must not be procured for the sole purpose of securing advantages either as to:

(i) A lower premium rate than would be accepted by an authorized insurer; or

(ii) Terms of the insurance contract;

(iii) Provided nothing in this subtitle shall be construed to prohibit a more favorable premium rate or more favorable terms of the insurance contract in an unauthorized insurer, if the risk is eligible as surplus line in accordance with the provisions of subsection (b) (1) above.

(c) There must be compliance with the other applicable provisions of this subtitle.

#### 185. Surplus Lines Affidavit.

At the time of placing any such insurance an affidavit setting forth the facts referred to in section 184, and such other facts as the Commissioner may require, must be personally executed by the surplus line broker or by the originating agent or broker. Such affidavit shall be filed with the Commissioner within thirty (30) days after the insurance is placed.

#### 186. Endorsement of Policy.

Every insurance contract or confirmation procured and delivered as a surplus line coverage shall be endorsed or stamped conspicuously and in bold face type on the first page of the contract or confirmation as follows: "This insurance is issued by a non-admitted insurer not under the jurisdiction ~~and control~~ of the Maryland Insurance Commissioner."