

**187. Surplus Line Insurance Valid.**

(a) Insurance contracts procured as surplus line coverages from unauthorized insurers in accordance with this subtitle shall be fully valid and enforceable as to all parties, and shall be given acceptance and recognition in all matters and respects to the same effect as like contracts issued by authorized insurers.

(b) No insurance contract entered into in violation of this subtitle shall preclude the insured from enforcing his rights thereunder in accordance with the terms and provisions of said contract.

**188. Surplus Line Brokers; Licensing.**

Any person who is qualified to be ~~an agent or~~ A broker as to property, casualty and surety insurances, and who is deemed by the Commissioner to be competent and trustworthy, may be licensed as a surplus line broker as follows:

(1) Application to the Commissioner for the license shall be on forms furnished by the Commissioner.

(2) The license fee shall be as prescribed by section 41.

(3) Each license shall be issued for a term expiring on November 1st next following the date of issuance and may be renewed annually thereafter.

(4) Prior to the issuance of the license or any renewal thereof, the applicant shall file with the Commissioner, a bond, to be approved by the Commissioner and made payable to the State of Maryland, executed by such applicant as principal and by a corporate surety authorized to do business in this State, in the penal sum of five thousand (\$5,000) dollars, conditioned that the broker will conduct the business in accordance with the provisions of this article and that he will remit promptly the taxes provided for in section 194. The aggregate liability of the surety for any and all claims on any such bond shall in no event exceed the penal sum thereof. No such bond shall be terminated unless prior to such termination thirty (30) days' written notice is filed with the Commissioner.

**189. May Accept Business from Agents or Brokers.**

A licensed surplus line broker may accept and place surplus line business from any insurance agent or broker licensed in this State for the kind of insurance involved, and may compensate a ~~an~~ AN AGENT OR broker therefor.

**190. Surplus Line Insurers.**

(a) Surplus line brokers shall not knowingly place surplus line insurance with unauthorized insurers who are insolvent or unsound financially.

(b) If at any time the Commissioner shall determine, in his judgment, that an unauthorized insurer is not in a safe or solvent financial condition, or has refused to pay just claims, he shall direct that no such insurance shall be placed with such insurer; and upon his written notice to that effect mailed to licensees under this subtitle, thereafter no insurance shall be placed with such insurer.