

191. Evidence of the Insurance; Changes; Penalty.

(a) Upon placing a surplus line coverage, the broker shall promptly deliver to the insured evidence of the insurance consisting either of the policy as issued by the insurer or, if such policy is not then available, a binder or cover note which shall show the subject, coverage, conditions, term of the insurance, and the name and address of the insurer. If the direct risk is assumed by more than one insurer, the policy or policies, binder(s), or cover note(s) shall state the names and addresses and proportion of the entire direct risk assumed by each such insurer.

(b) If after the issuance and delivery of any such binder(s) or cover note(s) there is any change as to the identity of the insurers, or the proportion of the direct risk assumed by any insurer as stated in the original binder or cover note, or in any other material respect as to the insurance coverage evidenced by the binder or cover note, the broker shall promptly deliver to the insured an appropriate substitute for or endorsement of the original binder or cover note accurately showing the current status of the coverage and the insurers responsible thereunder.

(c) The broker shall as soon as reasonably possible procure from the insurer its policy evidencing such insurance and deliver such policy to the insured in replacement of the binder or cover note theretofore delivered.

(d) Any surplus line broker who knowingly or negligently delivers a false binder or cover note, or fails promptly to notify the insured of any material change with respect to such insurance by delivery to the insured of a substitute binder or cover note as provided in subsection (b), shall be guilty of a violation of this article and upon conviction shall be subject to the penalties provided by section 12 of this article or to any greater applicable penalty otherwise provided by law.

192. Liability of Insurer as to Losses and Unearned Premiums.

(a) As to a surplus line risk which has been assumed by an unauthorized insurer pursuant to this surplus lines insurance law, and if the premium thereon has been received by the surplus line broker who placed such insurance, in all questions thereafter arising under the coverage as between the insurer and the insured the insurer shall be deemed to have received the premium due to it for such coverage; and the insurer shall be liable to the insured as to losses covered by such insurance, and for unearned premiums which may become payable to the insured upon cancellation of such insurance, whether or not in fact the broker is indebted to the insurer with respect to such insurance or for any other cause. This provision shall not affect rights as between the insurer and the surplus line broker.

(b) Each unauthorized insurer assuming a surplus lines direct risk under this surplus line insurance law shall be deemed thereby to have subjected itself to the terms of this section.

193. Records and Statement.

(a) Each surplus line broker shall keep a separate record and account of all business transacted under his license, including a copy