

tion," and "Life and Health INSURANCE Guaranty Association Act," be and they are hereby repealed and re-enacted, with amendments, to read as follows:

59.

(1a) A nonresident agent or broker licensed pursuant to Section [17] 171 may countersign policies and bonds procured through his agency covering subjects of insurance located or to be performed in this State, if and to the extent (1) the state in which the nonresident agent or broker resides or has his principal office has a reciprocal provision in favor of agents and/or brokers who reside in Maryland, and (2) the Maryland agent or broker is entitled to the same commissions as a resident agent with respect to subjects of insurance located or to be performed in the reciprocal state.

240B.

(b) If there is a failure to discharge the duty set forth in [paragraph] subsection (a) of this [sub] section, and thereafter the policyholder fails to make timely payment of the renewal premium the insurer must:

(1) Provide coverage for any claim which would have been covered under the policy, if it arises within 45 days after the date the insured discovers or should have discovered that his policy has not been renewed and,

(2) Renew the policy upon tender of payment, or comply with Section 240C, provided the tender is made within 30 days after the policyholder discovers or should have discovered that his policy has not been renewed.

(c) The duty imposed by [paragraph] subsection (a) of this [sub] section will be deemed discharged if the insurer shows that its established procedures would have resulted in the placing in the United States mail of the notice of renewal premium due, provided there is no showing that in fact the notice was not placed in the mail.

240C.

(b) If an insurer cancels or refuses to renew a policy, such insurer must furnish to the applicant a statement of the actual reason therefor, or that the actual reason will be provided upon request, if:

(1) The duly authorized premium has been tendered or paid.

(2) A written request for the actual reason has been made within thirty days after receipt of the statement of intention to cancel or not renew, whether or not the applicant subsequently is accepted under any of the plans set forth in subsection [(f)] (e) of this section.

242.

(b) This section does not apply to:

(1) Reinsurance, other than joint reinsurance to the extent stated in subsection (m);