

has been rejected or refused such a policy by two such private insurers for any reason other than nonpayment of premiums, or (ii) who has had a policy of automobile liability insurance cancelled or nonrenewed for any reason other than nonpayment of premiums, by a private insurer authorized to write such a policy in this State. The purpose of the Fund is to provide automobile insurance to those eligible persons who are unable to obtain it in the private market.

(b) The policy issued by the Fund shall contain the minimum coverages required by §§ 539 through 542, inclusive, of this article, and may contain such other provisions as may be determined by the executive director and approved by the board of trustees of the Fund and the Commissioner of Insurance.

(c) The Fund shall pay a commission determined by the board of trustees but not to exceed 12 percent of the total policy premiums, to the agent or broker of a policyholder to whom a policy of insurance is issued or renewed by the Fund.

(d) (1) Any agent or broker licensed in Maryland may, subject to the provisions of this section, bind the minimum required coverage for an applicant in the Fund upon application to the agent or broker and payment of the appropriate premium.

(2) The board shall adopt and make available to each such agent or broker reasonable rules and regulations relating to the binding authority of such agents and brokers, including but not limited to the amount of premium to be collected, the evidence necessary to establish the applicant's qualification to be insured by the Fund, and procedures for notifying the Fund of the binding of coverage.

(3) The Fund shall become liable under the coverage bound from the date of binding by the agent or broker; provided, however, that the Fund, upon review of the application, may not later than sixty days after the coverage is effective, cancel the coverage and refuse to issue a policy upon a finding that (i) the applicant is not qualified for insurance by the Fund, (ii) the appropriate premium has not been paid, or (iii) the Fund is authorized to reject the application under § 243D; provided, however, that if the cancellation is due to nonpayment of the appropriate premium, the Fund shall afford the applicant a reasonable opportunity to pay the proper premium. The Fund shall promptly notify the applicant, the agent and the Motor Vehicle Administration of a cancellation, and the applicant shall thereafter have the right of appeal provided for in § 243D.

(e) If the board finds that any broker or agent has consistently engaged in the practice of binding coverage through the Fund in violation of the rules and regulations