

STATE LICENSED AS A NONRESIDENT AGENT IN MARYLAND COVERING A SUBJECT OF INSURANCE RESIDENT, LOCATED OR TO BE PERFORMED IN MARYLAND SHALL BE SIGNED OR COUNTERSIGNED IN WRITING BY AN AGENT RESIDENT IN MARYLAND. A POLICY OF INSURANCE MAY NOT BE DEEMED INVALID BECAUSE OF THE ABSENCE OF THE REQUIRED SIGNATURE OR COUNTERSIGNATURE. IF THE LAWS OR REGULATIONS OF ANOTHER STATE REQUIRE AN AGENT RESIDENT IN THAT STATE TO RETAIN A PORTION OF THE COMMISSION PAID ON A LIKE POLICY OF INSURANCE WRITTEN, COUNTERSIGNED OR DELIVERED BY THE AGENT IN THAT STATE AT THE REQUEST OF A NONRESIDENT AGENT OR NONRESIDENT BROKER OF THAT STATE, THEN THE AGENT RESIDENT IN MARYLAND WHO SIGNED OR COUNTERSIGNED A POLICY OF INSURANCE WRITTEN BY A RESIDENT OF THAT STATE LICENSED AS A NONRESIDENT AGENT IN MARYLAND COVERING A SUBJECT OF INSURANCE RESIDENT, LOCATED, OR TO BE PERFORMED IN MARYLAND SHALL RETAIN AN EQUAL PRO RATA PORTION OF ANY COMMISSION ON THE POLICY OF INSURANCE.

(2) NOTHING IN THIS SECTION SHALL ALTER OR MODIFY THE REQUIREMENTS OF SECTION 171 OF THIS ARTICLE.

(3) Only a licensed agent who is a resident of Maryland and who is compensated by commissions on such policies, and who is not an employee or officer of the insurer, may be granted the power to sign or countersign policies or endorsements subject to the provisions of this section; provided, however, that no provision of this section shall be construed so as to prevent the delegation of signatory or countersigning duties, by the agent, to bona fide employees of such agent who are not employees of lending institutions nor to preclude the payment of commissions upon such policies to a corporation or partnership insurance agency or otherwise as the agent may direct.

(3a) Such countersignatures of policies and endorsements may not be affixed unless the said policies or endorsements set forth when applicable the rates, or premiums, a description of the property insured and the name and address of the insured.

(4) This section shall not apply to:

(i) Reinsurance.

(ii) Life insurance, health insurance or annuity contracts.

(iii) Insurance of the rolling stock, vessels or aircraft of any common carrier in interstate or foreign commerce, or of any vehicle principally garaged and used in another state, or covering any liability or other risks incident to the ownership, maintenance or operation thereof.

(iv) Insurance of property in course of transportation interstate or in foreign trade, or any liability or risk incident thereto.