

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code
Section 194
Annotated Code of Maryland
(1979 Replacement Volume and 1981 Supplement)

BY repealing

Article 48A - Insurance Code
Section 195
Annotated Code of Maryland
(1979 Replacement Volume and 1981 Supplement)

BY adding to

Article 48A - Insurance Code
Section 195
Annotated Code of Maryland
(1979 Replacement Volume and 1981 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland read(s) as follows:

Article 48A - Insurance Code

194.

(a) The premiums charged for surplus lines coverages are subject to a premium receipts tax of 3% on all gross premiums less any returned premiums charged for such insurance. The surplus lines broker shall charge the insured the amount of the tax at the time of delivery of the cover note, certificate of insurance, policy or other initial confirmation of insurance, in addition to the full amount of the gross premium charged by the insurer for the insurance, provided, however, that the tax on any unearned portion of the premium shall be returned to the policyholder by the surplus lines broker. The surplus lines broker is prohibited from absorbing such tax, or, as an inducement for insurance or for any other reason, rebating all or any part of such tax or of his commission.

(b) [The surplus lines broker shall pay the taxes under subsection (a) to the Commissioner on a monthly basis; on or before the 45th day after the last day of the month in which the insurance was placed.

(c) If The surplus lines policy covers risks or exposures only partially in this State, the tax payable shall be computed on the portion of the premium which is