

243B.

(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] PRODUCER of a policyholder LICENSED IN THIS STATE to whom a policy of insurance is issued [or renewed] by the Fund.

(d) (1) Any [agent or broker] PRODUCER licensed in Maryland may, subject to the provisions of this section AND THE BINDING RULES OF THE FUND, bind the minimum required coverage for an applicant in the Fund upon application to the [agent or broker] PRODUCER and payment of the appropriate premium.

(2) The board shall adopt and make available to each [such agent or broker] PRODUCER reasonable rules and regulations relating to the binding authority of [such agents and brokers] PRODUCERS, 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, THE TIME WITHIN WHICH THE PRODUCER SHALL NOTIFY THE FUND OF BINDING, 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] PRODUCER; 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] PRODUCER 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] PRODUCER has [consistently] engaged in the practice of binding coverage through the Fund in violation of the rules and regulations adopted by the board, [and that he knew or should have known that such binding was in violation of such rules and regulations,] the board may refuse to accept further applications from [such agent or broker] THE PRODUCER, [and] OR may terminate the right of [such agent] THE PRODUCER to bind coverage, OR BOTH.

243F.