

applying the assessment allocation percentage to the premium at the inception or renewal of the policy, and shall not be subject to change or refund for any reason. [Surcharges] RECOUPMENT CHARGES shall not be considered premium income for purposes of the State premium tax or the payment of commissions.

(2) In the event that a policyholder fails to pay the assessment [surcharge] RECOUPMENT CHARGE when due, the member may cancel the policy in accordance with the policy terms for nonpayment of premium.

(3) (I) EACH MEMBER COMPANY SHALL ELECT ON OR BEFORE JUNE 30 OF EACH YEAR WHETHER OR NOT TO RECOUP ITS SHARE OF THE ASSESSMENT FOR THE IMMEDIATELY PRECEDING YEAR BY IMPOSING A RECOUPMENT CHARGE ON EACH OF THE COMPANY'S POLICYHOLDERS.

(II) IF ON OR BEFORE JUNE 30 A COMPANY DOES NOT ELECT TO RECOUP ITS SHARE OF AN ASSESSMENT, IT SHALL BE DEEMED TO HAVE RECOUPED THAT ASSESSMENT AND TO HAVE WAIVED ITS OPTION TO IMPOSE A RECOUPMENT CHARGE ON ITS POLICYHOLDERS UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH.

(III) IF A COMPANY ELECTS TO RECOUP ITS SHARE OF AN ASSESSMENT ON OR BEFORE JUNE 30, IT MUST CLEARLY IDENTIFY ANY RECOUPMENT CHARGE IMPOSED ON ITS POLICYHOLDERS BY INCLUDING THE FOLLOWING STATEMENT ON THE PREMIUM BILLING OF EACH POLICYHOLDER: "RECOUPMENT OF MAIF ASSESSMENT, \$_____". NO OTHER STATEMENT MAY ACCOMPANY THIS PREMIUM BILLING.

(IV) NOTHING IN THIS PARAGRAPH SHALL DENY ANY COMPANY THE RIGHT TO:

1. ABSORB THE ANNUAL ASSESSMENT; OR
2. RECOVER ALL OR PART OF THE ANNUAL ASSESSMENT AS COSTS IN RATE FILINGS MADE UNDER THIS ARTICLE, IN WHICH EVENT THE MAIF ASSESSMENT SHALL BE IDENTIFIED ON ANY PREMIUM BILLING TO THE POLICYHOLDER.

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(A) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, AN INSURER OR AN AGENT SHALL COMPLY WITH § 17-108(A)(2) OF THE TRANSPORTATION ARTICLE.

(B) WILLFUL FAILURE TO COMPLY WITH § 17-108(A)(2) OF THE TRANSPORTATION ARTICLE SHALL CONSTITUTE A VIOLATION OF THIS SECTION.

Article - Transportation

17-106.

(e) (1) In addition to any other penalty provided for in the Maryland Vehicle Law, if the required security for a vehicle