

(2) The insurance must be eligible as surplus line in accordance with the provisions of this paragraph:

(i) A diligent search and effort must be made among the insurers who are authorized to transact and are actually writing the particular kind and class of insurance in this State, and except for insurance described in [paragraph (a)(2)] SUBSECTION (A)(2) of this section the amount of insurance eligible for an unauthorized insurer is only the excess over the amount procurable from authorized insurers.

(ii) Except for subsection (c) OF THIS SECTION, the insurance may not be procured for the sole purpose of securing advantages either as to:

1. A lower premium rate than would be accepted by an authorized insurer, or

2. Terms of the insurance contract.

(c) This subtitle may not prohibit a more favorable premium rate or more favorable terms of the insurance contract in an unauthorized insurer if the risk is eligible as surplus line as provided in [subparagraph (b)(2)(i)] SUBSECTION (B)(2)(I) OF THIS SECTION.

DRAFTER'S NOTE: This corrects stylistic errors in internal references in Article 48A, § 184(b)(2) and (c).

The stylistic errors occurred in Ch. 790 of the Acts of 1980.

The stylistic errors were noted by the Michie Company and by the professional staff of the Legislative Division of the Department of Legislative Reference.

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(a) No surplus line broker shall place surplus line insurance with an unauthorized insurer which has not been approved by the Commissioner as a surplus line insurer, or which has been determined to be unsafe financially, or insolvent, by the Commissioner pursuant to subsection (c) [hereof] OF THIS SECTION.

DRAFTER'S NOTE: This corrects a stylistic error in an internal reference in Article 48A, § 190(a).

The stylistic error occurred in Ch. 86 of the Acts of 1974.

The stylistic error was noted by the Michie Company.