

(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] AND, except for insurance described in subsection (a)(2) of this [section] 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.

DRAFTER'S NOTE:

Error: Omitted, misplaced, and incorrect punctuation in Article 48A, § 184(b)(2).

Occurred: The incorrect and omitted punctuation occurred in Ch. 790, Acts of 1980; the misplaced punctuation occurred in Ch. 553, Acts of 1963.

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(b) No form or plan of insurance covering any group or combination of persons or risks shall be written or delivered within or without this State to cover persons or risks in this State at any preferred rate or on any form other than as offered to persons not in the group or combination and to the public generally, unless the form, plan of insurance, and the rates or premiums to be charged therefor have been submitted to and approved by the Commissioner as being not unfairly discriminatory, and as not otherwise being in conflict with subsection (a) [above] OF THIS SECTION or with any provision of Subtitle 16 of this article (rates and rating organization) to the extent that such Subtitle 16 is, by its terms, applicable thereto.

DRAFTER'S NOTE:

Error: Stylistic error in Article 48A, § 231(b).

Occurred: Ch. 553, Acts of 1963.

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