

terminated are not to be automatically eligible for reinstatement; authorizing MAIF to utilize the Maryland Tax Refund Intercept Program to recover moneys owed by producers; requiring all agent-producers to obtain bonds to protect MAIF against losses due to any nonpayment of moneys due; altering certain definitions; and generally relating to MAIF's relations with its producers.

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code
Section 243B and 243L
Annotated Code of Maryland
(1986 Replacement Volume and 1988 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 48A - Insurance Code

243B.

(a) Subject to the provisions of this subtitle generally and § 243D of this subtitle in particular, the Fund is authorized and shall sell, issue, and deliver, upon payment of the premium set by the Fund, a policy of automobile liability insurance to any Maryland resident who owns an automobile validly registered with the Motor Vehicle Administrator, or has a valid license to operate an automobile issued by the Motor Vehicle Administrator, and who does not owe to the Fund any unpaid insurance premium with respect to a prior expired or cancelled policy, and who either (i) has in good faith attempted to obtain a policy of automobile liability insurance from at least two private insurers authorized to write such a policy in this State and has been rejected or refused such a policy by two such private insurers for any reason other than nonpayment of premiums, or (ii) who has had a policy of automobile liability insurance cancelled or nonrenewed for any reason other than nonpayment of premiums, by a private insurer authorized to write such a policy in this State. The purpose of the Fund is to provide automobile insurance to those eligible persons who are unable to obtain it in the private market.

(b) (1) The policy issued by the Fund shall contain the minimum coverages required by §§ 539 through 542, inclusive, of this article, and may contain such other provisions as may be determined by the executive director and approved by the board of trustees of the Fund and the Commissioner of Insurance.

(2) (i) Subject to subparagraph (ii) of this paragraph whenever the Fund issues a policy of commercial automobile liability insurance under this subtitle, the Fund may