

[(2)] (3) The board shall adopt and make available to each producer reasonable rules and regulations relating to the binding authority of 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)] (4) The Fund shall become liable under the coverage bound from the date of binding by the 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 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] FUND finds that any producer has engaged in the practice of binding coverage through the Fund in violation of the rules and regulations adopted by the board, the [board] FUND may refuse to accept further applications from the producer, or may terminate the right of the producer to bind coverage, or both.

(f) If, after demand has been made by the Fund, the [agent or broker] PRODUCER fails to pay any money that is due the Fund as a result of the binding or change of coverage, or as a result of any commission paid to the [agent or broker] PRODUCER on any policy that is cancelled after the effective date of coverage, the [board] FUND may refuse to accept further applications from the [agent or broker] PRODUCER, terminate the authority of the [agent or broker] PRODUCER to bind coverage with the Fund, or both.

(g) (1) Except as provided in paragraph (2) of this subsection, the [board] FUND shall give prior written notice to [an agent or broker] A PRODUCER of its intended action under subsection (e) or (f) of this section, and provide the [agent or broker] PRODUCER an opportunity for a hearing prior to taking the action.

(2) If the [board] FUND determines that there is a likelihood of substantial and immediate harm to the Fund, policyholders of the Fund, or others because of a violation of a binding rule of the Fund or because of a failure to pay any money due, the [board] FUND may exercise immediately any option