

(J) (1) (I) ON OR BEFORE DECEMBER 31 OF EACH YEAR, EACH EXISTING PRODUCER SHALL FILE WITH THE FUND A BOND FOR THE BENEFIT OF THE FUND FOR THE SUCCEEDING YEAR.

(II) ON APPLICATION TO THE FUND TO BE APPOINTED A PRODUCER, EACH APPLICANT SHALL FILE WITH THE FUND A BOND FOR THE BENEFIT OF THE FUND FOR THE BALANCE OF THE CURRENT YEAR.

(2) THE BOND SHALL BE:

(I) IN THE AMOUNT OF \$10,000;

(II) EXECUTED BY AN AUTHORIZED SURETY INSURER;

AND

(III) CONDITIONED THAT THE PRODUCER WILL ACCOUNT FOR AND PAY OVER TO THE PERSON ENTITLED ALL MONEYS BELONGING TO THE ENTITLED PERSON WHICH MAY COME INTO THE PRODUCER'S HANDS IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE AND THE BINDING RULES OF THE FUND.

(3) THIS SUBSECTION DOES NOT APPLY TO ANY PRODUCER WHO HAS FILED A BOND WITH THE COMMISSIONER UNDER § 168(C)(2) OF THIS ARTICLE.

(4) (I) A PRODUCER SHALL BE DEEMED TO HAVE COMPLIED WITH THIS SUBSECTION IF AN INSURER CERTIFIES TO THE FUND THAT:

1. THE INSURER HAS A BOND IN EFFECT THAT COVERS THE PRODUCER AND COMPLIES WITH THE REQUIREMENTS OF THIS SUBSECTION; AND

2. THE BOND COVERAGE EXTENDS TO THE FUND WHEN PERSONS APPLY TO THE FUND FOR COVERAGE THROUGH THE PRODUCER.

(II) THE CERTIFICATION REQUIRED UNDER THIS PARAGRAPH SHALL BE MADE BY A DULY AUTHORIZED REPRESENTATIVE OF THE INSURER.

(III) A COPY OF THE CERTIFICATION SHALL BE PROMPTLY MAILED TO THE FUND.

(5) A PRODUCER'S AUTHORITY TO WRITE ANY BUSINESS ON BEHALF OF THE FUND MAY BE TERMINATED ON 10 DAYS' WRITTEN NOTICE IF THE BOND IS NOT:

(I) FILED WITH THE FUND IN A TIMELY MANNER; OR

(II) CONTINUOUSLY MAINTAINED IN EFFECT DURING THE PERIOD OF TIME THE PRODUCER HAS AUTHORITY TO WRITE ANY BUSINESS ON BEHALF OF THE FUND.

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