

(E) NONPAYMENT OF ASSESSMENT SURCHARGE.

IF A POLICYHOLDER FAILS TO PAY THE ASSESSMENT SURCHARGE WHEN DUE, THE ASSOCIATION MEMBER MAY CANCEL THE POLICY IN ACCORDANCE WITH THE TERMS OF THE POLICY FOR NONPAYMENT OF PREMIUM.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 243M(e)(2) and (3)(iii), (f), and (h).

Throughout this section, references to "Association member" are substituted for the former references to "member company" and "member" to conform to the terminology used in this subtitle.

In subsection (c)(1) of this section, the former reference to the requirement that each Association member report quarterly to the Association "pursuant to § 243A and this section [i.e., § 243M]" is deleted as misleading because, contrary to what this reference suggested, there were no additional provisions in § 243A or § 243M about the quarterly reporting requirement.

In subsection (c)(2) of this section, the former reference to a "true" accounting is deleted as unnecessary in light of the reference to an "accurate" accounting.

Defined terms: "Association" § 20-101

"Association member" § 20-101

"Board of Directors" § 20-101

"Commissioner" § 1-101

"Policy" § 1-101

"Premium" § 1-101

20-409. ADJUSTMENTS TO ASSESSMENT SURCHARGES.

(A) SURCHARGES LESS THAN ASSESSMENT PAYMENT.

IF THE AGGREGATE AMOUNT OF ASSESSMENT SURCHARGES RECEIVED BY AN ASSOCIATION MEMBER DURING A SURCHARGE YEAR IS LESS THAN THAT ASSOCIATION MEMBER'S ASSESSMENT PAYMENT, THE ASSOCIATION MEMBER'S ASSESSMENT SURCHARGE AUTHORIZED UNDER § 20-406 OF THIS SUBTITLE SHALL BE INCREASED ACCORDINGLY FOR THE NEXT APPROPRIATE SURCHARGE YEAR.

(B) SURCHARGES GREATER THAN ASSESSMENT PAYMENT.

IF THE AGGREGATE AMOUNT OF ASSESSMENT SURCHARGES RECEIVED BY AN ASSOCIATION MEMBER DURING A RECOUPMENT YEAR EXCEEDS THE ASSOCIATION MEMBER'S ASSESSMENT PAYMENT, THE ASSOCIATION MEMBER SHALL DEPOSIT THE EXCESS IN THE INSUFFICIENCY ASSESSMENT RESERVE FUND AS PROVIDED IN § 20-410 OF THIS SUBTITLE AND SHALL RECEIVE A CREDIT FOR THE AMOUNT DEPOSITED AGAINST THE NEXT APPROPRIATE ASSESSMENT IMPOSED UNDER THIS SUBTITLE.

(C) ADJUSTMENT FOR SURCHARGE EXCESS OR SHORTFALL.