

IN DETERMINING ELIGIBILITY FOR RATES THAT ARE REASONABLY COMPARABLE TO THOSE CHARGED BY STANDARD INSURERS, THE FUND MAY NOT CONSIDER:

- (1) A LAPSE IN COVERAGE OF 30 DAYS OR LESS; AND
- (2) THE ADDITION OF A DRIVER TO THE POLICY WHO HAS CERTIFIED IN A MANNER APPROVED BY THE FUND FOR THE IMMEDIATELY PRECEDING 3 CONTINUOUS YEARS THAT THE DRIVER HAS NOT HAD A MOVING TRAFFIC VIOLATION, HAS NOT BEEN ASSESSED MORE THAN ONE POINT, AND HAS NOT HAD A CHARGEABLE TRAFFIC ACCIDENT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 243C(d).

In the introductory language of subsection (a) of this section, the reference to "continuation" of coverage is substituted for the former reference to "renewal" coverage to conform to the practice of the Fund. See Maryland Automobile Insurance Fund v. Sparks, 42 Md. App. 382 (1979), which held that the General Assembly has not addressed the authority of the Fund to renew policies.

Also in the introductory language of subsection (a) of this section, the former reference to "[b]eginning January 1, 1976" is deleted as obsolete.

In subsection (a)(3) of this section, the reference to "the Motor Vehicle Administration" is added for clarity.

In subsection (c) of this section, the reference to "rates that are reasonably comparable to those charged by standard insurers" is substituted for the former reference to "this rate" for clarity.

Defined terms: "Commissioner" § 1-101

"Fund" § 20-101

"Insurer" § 1-101

"Policy" § 1-101

20-509. AUTHORITY OF PRODUCERS TO BIND COVERAGE.

(A) IN GENERAL.

(1) SUBJECT TO THIS SECTION AND THE REGULATIONS THAT RELATE TO THE BINDING OF COVERAGE, A PRODUCER MAY BIND THE MINIMUM REQUIRED COVERAGE FOR AN APPLICANT IN THE FUND IF THE APPLICANT SUBMITS AN APPLICATION TO THE PRODUCER AND PAYS THE APPROPRIATE PREMIUM.

(2) TO EFFECT COVERAGE, THE PRODUCER MUST RECEIVE PAYMENT OF THE APPROPRIATE PREMIUM REQUIRED UNDER THE REGULATIONS THAT RELATE TO THE BINDING OF COVERAGE.

(3) PAYMENT OF THE APPROPRIATE PREMIUM DOES NOT OCCUR SO AS TO EFFECT COVERAGE IF PAYMENT OF ALL OR PART OF THE PREMIUM IS MADE BY AN INSTRUMENT THAT IS LATER DISHONORED.