

(B) REGULATIONS.

(1) THE BOARD OF TRUSTEES SHALL ADOPT AND MAKE AVAILABLE TO EACH PRODUCER REASONABLE REGULATIONS THAT RELATE TO THE AUTHORITY OF PRODUCERS TO BIND COVERAGE.

(2) THE REGULATIONS SHALL INCLUDE:

(I) THE AMOUNT OF PREMIUM TO BE COLLECTED;

(II) THE EVIDENCE NECESSARY TO ESTABLISH THE QUALIFICATION OF AN APPLICANT TO BE INSURED BY THE FUND;

(III) PROCEDURES FOR NOTIFYING THE FUND OF THE BINDING OF COVERAGE; AND

(IV) THE TIME WITHIN WHICH THE PRODUCER IS TO GIVE NOTICE.

(C) REFUSAL OF PRODUCER AUTHORITY; DISCIPLINARY GROUNDS.

THE FUND:

(1) MAY REFUSE TO GRANT THE AUTHORITY OF A PRODUCER TO AN AGENT OR BROKER THAT HAS BEEN PREVIOUSLY TERMINATED AS A PRODUCER OR THAT HAS HAD ITS CERTIFICATE OF QUALIFICATION PREVIOUSLY REVOKED OR SURRENDERED; AND

(2) SUBJECT TO THE HEARING PROVISIONS OF § 20-514 OF THIS SUBTITLE, MAY DISCIPLINE A PRODUCER THAT:

(I) EMPLOYS OR OTHERWISE RETAINS A PERSON DESCRIBED IN ITEM (1) OF THIS SUBSECTION; AND

(II) ALLOWS THE PERSON TO BECOME INVOLVED IN THE PRODUCER'S OPERATIONS OR MANAGEMENT CONTRARY TO A REQUIREMENT OF THIS ARTICLE OR ORDER OF THE ADMINISTRATION.

(D) LIABILITY FOR COVERAGE AT TIME OF BINDING.

SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE FUND IS LIABLE FOR COVERAGE FROM THE DATE THAT THE PRODUCER BINDS COVERAGE.

(E) CANCELLATION OF COVERAGE.

(1) ON REVIEW OF AN APPLICATION, THE FUND MAY CANCEL COVERAGE AND REFUSE TO ISSUE A POLICY IF THE FUND FINDS THAT:

(I) THE APPLICANT IS NOT QUALIFIED FOR INSURANCE ISSUED BY THE FUND;

(II) THE APPLICANT HAS NOT PAID THE APPROPRIATE PREMIUM;  
OR

(III) THE FUND IS AUTHORIZED TO REJECT THE APPLICATION UNDER § 20-516 OF THIS SUBTITLE.