

1. a policy processing fee to cover its expenses; or
2. the amount that the person would have received after the Fund returns to a FUND producer, or any other person other than the person who fails to meet the requirements of subsection (b) of this section, any gross unearned premiums that are due under the policy.

20-504.

(b) (1) At the time coverage provided by the Fund is bound and before any add-on coverage is sold, a FUND producer shall provide a clear and conspicuous written disclosure, in the form approved by the Commissioner, that:

(i) states that the cost of add-on coverage is not part of the premium for the related policy issued by the Fund;

(ii) includes an itemized list of any add-on coverages to be sold to the insured;

(iii) states the nature and cost of each add-on coverage to be sold; and

(iv) states that add-on coverage is optional and is not required under § 17-103 of the Transportation Article.

(d) (1) A FUND producer may not:

(i) require an insured or prospective insured to purchase an add-on coverage as a condition to purchasing the related policy issued by the Fund; or

(ii) sell add-on coverage or any combination of add-on coverages in an amount that exceeds \$200 per covered vehicle in connection with a private passenger auto insurance policy.

(2) A pattern or practice of violations of this section by a FUND producer is subject to the same penalties as a violation of § 20-513 of this subtitle.

20-507.

(f) (3) If a prospective insured's initial payment to the Fund, a FUND producer, or premium finance company is not honored, a policy or endorsement issued in reliance on that payment is void.

20-509.

(a) (1) Subject to this section and the regulations that relate to the binding of coverage, a FUND producer may bind the minimum required coverage for an applicant in the Fund if the applicant submits an application to the FUND producer and pays the appropriate premium.

(2) To effect coverage, the FUND producer must receive payment of the appropriate premium required under the regulations that relate to the binding of coverage.