

[(c)] (B) A bond required under this section shall be:

- (1) in the amount of \$10,000;
- (2) executed by an authorized surety insurer; and
- (3) conditioned that the FUND producer will account for and pay over to the person entitled to it all money belonging to the person that comes into the FUND producer's possession in accordance with this subtitle and the regulations that relate to the binding of coverage.

[(d)] (C) (1) A FUND producer is considered to have complied with this section if an Association member certifies to the Fund that:

(i) the Association member has a bond in effect that covers the FUND producer and complies with the requirements of this section; and

(ii) the bond coverage extends to the Fund when persons apply to the Fund for coverage through the FUND producer.

(2) The certification shall be made by an authorized representative of the Association member.

(3) A copy of the certification shall be mailed promptly to the Fund.

[(e)] (D) A FUND producer's authority to bind coverage in the Fund may be terminated on 10 days' written notice if the bond is not:

(1) filed with the Fund in a timely manner; or

(2) continuously maintained in effect while the FUND producer has authority to bind coverage in the Fund.

20-512.

(a) Except as provided in subsection (b) of this section, the Fund shall pay to a FUND producer of a policyholder to whom a policy is issued a commission:

(1) for private passenger auto insurance issued by the Fund, at a rate of 10% of the total premium; and

(2) for any other insurance issued by the Fund, at a rate determined by the Fund but not to exceed 10% of the total premium.

(b) The Fund may not pay a commission:

(3) if a prospective insured's initial payment to the Fund, a FUND producer, or premium finance company is not honored.

20-513.

The Fund may refuse to accept further applications from a FUND producer or may terminate the authority of the FUND producer to bind coverage or both if: