

FOR the purpose of altering certain authority of certain surplus lines brokers to charge certain policy fees on certain policies procured by certain licensed producers to whom the surplus lines broker pays a commission; specifying a certain limit on the policy fee that a certain surplus lines broker may charge on a policy issued by an authorized insurer that was procured by ~~a licensed producer~~ certain licensed producers to whom the surplus lines broker pays a commission; requiring the policy fee to be reasonably related to the cost of underwriting, issuing, processing, and servicing the policy by the surplus lines broker for the authorized insurer; authorizing a certain surplus lines broker to recoup from a prospective insured the actual cost of an inspection required for the placement of the insurance with an authorized insurer under certain circumstances; specifying that only one inspection fee may be charged to recoup the actual cost of an inspection for each policy or certificate of coverage issued by an authorized insurer; specifying that only one policy fee may be charged for each policy or certificate of coverage issued by an authorized insurer; and generally relating to policy and inspection fees charged by surplus lines brokers.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 27–216(d)

Annotated Code of Maryland

(2002 Replacement Volume and 2003 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Insurance

27–216.

(d) (1) Notwithstanding subsection (a) of this section, a surplus lines broker that holds a certificate of qualification under Title 3, Subtitle 3 of this article may charge a reasonable policy fee ON A POLICY ISSUED BY A SURPLUS LINES INSURER not exceeding:

(i) \$100 on each personal lines policy procured by a licensed insurance producer NOT AFFILIATED WITH OR CONTROLLED BY THE SURPLUS LINES BROKER AND to whom the surplus lines broker pays a commission; or

(ii) \$250 on each commercial lines policy procured by a licensed insurance producer NOT AFFILIATED WITH OR CONTROLLED BY THE SURPLUS LINES BROKER AND to whom the surplus lines broker pays a commission.

(2) A SURPLUS LINES BROKER THAT HOLDS A CERTIFICATE OF QUALIFICATION UNDER TITLE 3, SUBTITLE 3 OF THIS ARTICLE AND A LICENSE AS AN INSURANCE PRODUCER UNDER TITLE 10, SUBTITLE 1 OF THIS ARTICLE MAY CHARGE A REASONABLE POLICY FEE ON A POLICY ISSUED BY AN AUTHORIZED INSURER NOT EXCEEDING: