

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:

~~(I) \$100 ON EACH PERSONAL LINES POLICY PROCURED BY A LICENSED INSURANCE PRODUCER 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)] (3) The policy fee charged in accordance with this subsection must be reasonably related to the cost of underwriting, issuing, processing, and servicing the policy by the surplus lines broker for the surplus lines insurer OR THE AUTHORIZED INSURER.

[(3)] (4) 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 recoup from the prospective insured the actual cost of an inspection required for the placement of surplus lines insurance WITH A SURPLUS LINES INSURER if:

(i) the inspection is required by the surplus lines insurer;