

surplus lines basis if the surplus lines insurer or broker gives to the insured appropriate notice of the availability of comparable types of insurance being written by three or more authorized insurers:

(i) each year; and

(ii) sufficiently in advance of the renewal date to allow the insured to determine whether to renew the policy with the surplus lines insurer.

3-306.1.

(A) (1) ~~EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A DILIGENT SEARCH REQUIRED BY § 3-306 OF THIS SUBTITLE SHALL BE DEEMED COMPLETED IF:~~

(I) THE INSURED OR THE SURPLUS LINES BROKER OR AGENT OBTAINS DECLINATIONS OF A RISK FROM THREE AUTHORIZED INSURERS THAT ARE WRITING THE PARTICULAR KIND AND CLASS OF INSURANCE IN THIS STATE; AND

(II) THE DECLINATIONS ARE INCLUDED IN THE AFFIDAVIT REQUIRED UNDER § 3-307 OF THIS SUBTITLE.

(2) IN ADDITION TO THE REQUIREMENT OF PARAGRAPH (1)(I) OF THIS SUBSECTION, AN AGENT SHALL OBTAIN A DECLINATION FROM EACH INSURER FOR WHICH THE AGENT HAS BEEN APPOINTED THAT THE AGENT KNOWS, OR SHOULD KNOW, IS ACTUALLY WRITING ON A BROAD BASIS THE PARTICULAR KIND AND CLASS OF INSURANCE SOUGHT.

~~(2) IF THE DILIGENT SEARCH IS CONDUCTED BY AN AGENT HOLDING MORE THAN THREE APPOINTMENTS FROM AUTHORIZED INSURERS, A DECLINATION SHALL BE OBTAINED FROM EACH INSURER THAT THE AGENT KNOWS, OR SHOULD KNOW, IS ACTUALLY WRITING ON A BROAD BASIS THE PARTICULAR KIND AND CLASS OF INSURANCE SOUGHT.~~

(B) A DILIGENT SEARCH MAY NOT BE REQUIRED:

(1) FOR ANY COVERAGE ON A LIST OF ELIGIBLE SURPLUS LINES COVERAGES COMPILED BY THE COMMISSIONER; OR

(2) IF THE DILIGENT SEARCH IS WAIVED BY A COMMERCIAL INSURED IN ACCORDANCE WITH THE PROCESS DETERMINED BY THE COMMISSIONER.

(C) NOTWITHSTANDING THE RENEWAL PROVISIONS OF § 3-306(C) OF THIS SUBTITLE, A DILIGENT SEARCH SHALL BE REQUIRED FOR EACH RENEWAL OF A PERSONAL LINES INSURANCE POLICY WRITTEN THROUGH A SURPLUS LINES INSURER.

3-307.

(a) An affidavit that sets forth the facts referred to in § 3-306 of this subtitle and any other facts required by the Commissioner must be personally executed by the surplus lines broker or the originating agent or broker at the time the surplus lines insurance is placed.