

CHAPTER 4

(House Bill 375)

AN ACT concerning

Maryland Automobile Insurance Fund - Producer Commissions

FOR the purpose of ~~requiring--that--commissions--be prohibiting commissions from being~~ paid by the Maryland Automobile Insurance Fund to producers on a ~~pre-rata-basis-rather--than~~ a fully earned basis; fixing commissions paid by the Fund at a certain amount in certain cases and retaining the power of the Board of Trustees of the Fund to fix the level of commissions in certain cases; making this Act an emergency measure; and generally relating to the payment of commissions by the Maryland Automobile Insurance Fund to producers of policyholders to whom a policy of insurance is issued by the Fund.

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code
Section 243B
Annotated Code of Maryland
(1986 Replacement Volume and 1988 Supplement)

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

Article 48A - Insurance Code

243B.

(a) Subject to the provisions of this subtitle generally and § 243D of this subtitle in particular, the Fund is authorized and shall sell, issue, and deliver, upon payment of the premium set by the Fund, a policy of automobile liability insurance to any Maryland resident who owns an automobile validly registered with the Motor Vehicle Administrator, or has a valid license to operate an automobile issued by the Motor Vehicle Administrator, and who does not owe to the Fund any unpaid insurance premium with respect to a prior expired or cancelled policy, and who either (i) has in good faith attempted to obtain a policy of automobile liability insurance from at least two private insurers authorized to write such a policy in this State and has been rejected or refused such a policy by two such private insurers for any reason other than nonpayment of premiums, or (ii) who has had a policy of automobile liability insurance cancelled or nonrenewed for any reason other than nonpayment of premiums, by a private insurer authorized to write such a policy in this State. The purpose of the Fund is to provide automobile insurance to