

---

**By: Delegate Harrison**

Introduced and read first time: February 5, 1996

Assigned to: Economic Matters

---

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: February 29, 1996

---

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Insurance - Change of Agent of Record or Broker of Record**

3 [TAG ftpo]FOR the purpose of requiring certain authorized insurers to accept and honor requests  
4 for a change of agent ~~of record~~ or broker of record within a certain time period;  
5 requiring a new agent or broker of record to have a current appointment or contract  
6 with the authorized insurer before the change of agent or broker of record will be  
7 effective; requiring a new agent ~~of record~~ or broker of record to be paid certain  
8 ~~compensation~~ commissions under certain circumstances; requiring a request for a  
9 change of agent ~~of record~~ or broker of record to be in writing and include certain  
10 information; providing that this Act does not require authorized insurers to appoint  
11 or contract with agents or brokers; and generally relating to a change of agent ~~of~~  
12 ~~record~~ or broker of record in insurance.

13 BY adding to

- 14 Article 48A - Insurance Code
- 15 Section 234D
- 16 Annotated Code of Maryland
- 17 (1994 Replacement Volume and 1995 Supplement)

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

20 **Article 48A - Insurance Code**

21 234D.

22 (A) EACH AUTHORIZED INSURER ~~AUTHORIZED TO DO~~ DOING BUSINESS IN  
23 THE STATE SHALL ACCEPT AND HONOR EACH REQUEST BY A POLICYHOLDER FOR A  
24 CHANGE OF AGENT ~~OF RECORD~~ OR A CHANGE OF BROKER OF RECORD WITHIN ~~40~~ 30

2  
1 WORKING DAYS AFTER RECEIPT OF THE REQUEST UNLESS THE POLICYHOLDER OR  
2 INSURED WITHDRAWS THE REQUEST IN WRITING.

3 (B) THE NEW AGENT OR BROKER OF RECORD MUST HAVE A CURRENT  
4 APPOINTMENT OR CONTRACT WITH THE AUTHORIZED INSURER BEFORE THE  
5 CHANGE OF AGENT OR BROKER OF RECORD WILL BE EFFECTIVE.

6 ~~(B)~~ (C) THE NEW AGENT ~~OF RECORD~~ OR NEW BROKER OF RECORD SHALL  
7 BE PAID ALL ~~COMPENSATION EARNED~~ COMMISSIONS PAYABLE ON THE POLICY  
8 EFFECTIVE FROM THE FIRST ANNIVERSARY DATE OF THE POLICY FOLLOWING THE  
9 DATE OF CHANGE.

10 ~~(C)~~ (D) A REQUEST FOR A CHANGE OF AGENT ~~OF RECORD~~ OR BROKER OF  
11 RECORD SHALL:

12 (1) BE IN WRITING; AND

13 (2) INCLUDE:

14 (I) THE POLICYHOLDER'S OR INSURED'S NAME AND ADDRESS;

15 (II) THE AUTHORIZED INSURER'S NAME AND ADDRESS;

16 (III) THE POLICY NUMBER;

17 (IV) THE NAME AND ADDRESS OF THE NEW AGENT OR BROKER OF  
18 RECORD;

19 ~~(IV)~~ (V) THE DATE OF THE REQUEST; AND

20 ~~(V)~~ (VI) THE SIGNATURE OF THE POLICYHOLDER OR INSURED.

21 (E) THIS SECTION DOES NOT REQUIRE AUTHORIZED INSURERS TO APPOINT  
22 OR CONTRACT WITH AGENTS OR BROKERS.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 1996.