

Article - Insurance

[Previous][Next]

§10–128.

- (a) This section does not apply to:
- (1) reinsurance;
 - (2) life insurance, health insurance, or annuity contracts;
 - (3) insurance of:
 - (i) rolling stock, vessels, or aircraft of a common carrier used in interstate or foreign commerce;
 - (ii) a vehicle principally garaged and used outside the State; or
 - (iii) liability or other risks, incident to the ownership, maintenance, or operation of a subject of insurance under item (i) or (ii) of this item;
 - (4) insurance of property while transported in interstate or in foreign trade, or any liability or risk incident to the transportation;
 - (5) insurance of wet marine and transportation risks;
 - (6) bid bonds issued in connection with public or private contracts;
 - (7) policies or endorsements issued through:
 - (i) insurance producers compensated only by salary;
 - (ii) insurers not using insurance producers in the general solicitation of business;
 - (iii) mutual insurers or other insurers not customarily using insurance producers compensated by commission if no commission is payable to an insurance producer on the policy or endorsement; or
 - (iv) insurers or groups of insurers under common management or control that are represented exclusively by insurance producers who represent only the insurers or groups of insurers;
 - (8) reciprocal insurers; or
 - (9) insurance written through:
 - (i) the Maryland Automobile Insurance Fund; or

(ii) the Maryland Property Insurance Availability Program.

(b) This section does not alter the requirements of § 10-119 of this subtitle.

(c) (1) Notwithstanding any other provision of law of this State or of policy forms, and subject to paragraph (2) of this subsection, an insurance producer that is a resident of this State may not be required to sign or countersign a policy covering a subject of insurance resident, located, or to be performed in this State.

(2) A policy covering a subject of insurance resident, located, or to be performed in this State shall be signed or countersigned by an insurance producer that is a resident of this State if:

(i) the policy is written by an insurance producer that is a resident of another state and is qualified as a nonresident insurance producer in this State; and

(ii) the law of the other state requires a signature or countersignature by an insurance producer that is a resident of that state on a policy written by an insurance producer that is not a resident in that state.

(3) A policy is not invalid because it does not have the required signature or countersignature.

(d) (1) A person may not sign or countersign a policy or endorsement subject to this section unless the person:

(i) is a licensed insurance producer;

(ii) is a resident of this State;

(iii) is compensated by commissions on policies subject to this section;

and

(iv) is not an employee or officer of the insurer issuing the policy.

(2) This section does not prevent an insurance producer from:

(i) delegating the duty of signing or countersigning to employees of the insurance producer that are not also employees of lending institutions; or

(ii) directing the payment of commissions on policies subject to this section to a corporation or partnership insurance agency or otherwise.

(e) An insurance producer may not countersign a policy or endorsement unless the policy or endorsement states, as applicable:

(1) the rates or premiums;

(2) a description of the property insured; and

(3) the name and address of the insured.

(f) If the law of another state requires an insurance producer that is a resident of that state to keep part of the commission paid on a policy written, countersigned, or delivered by the insurance producer in that state on request of a nonresident insurance producer of that state, an insurance producer that is a resident of this State and that signs or countersigns a policy written by an insurance producer that is a resident of the other state and qualified as a nonresident insurance producer in this State covering a subject of insurance resident, located, or to be performed in this State shall keep an equal pro rata part of any commission on the policy.

[Previous][Next]