

Article - Insurance

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§3–320.

(a) In any question that arises under the coverage between an unauthorized insurer and the insured, the unauthorized insurer is deemed to have received the premium due it for surplus lines insurance if:

(1) the unauthorized insurer has assumed a surplus lines risk under this subtitle; and

(2) the surplus lines broker who placed the surplus lines insurance has received the premium for the surplus lines insurance.

(b) An unauthorized insurer described in subsection (a) of this section is liable to the insured for losses covered by the surplus lines insurance and, on cancellation, for unearned premiums that may become payable to the insured, whether or not the surplus lines broker is indebted to the unauthorized insurer for the surplus lines insurance or for any other reason.

(c) This section does not affect rights between the unauthorized insurer and the surplus lines broker.

(d) Each unauthorized insurer that assumes a surplus lines direct risk under this subtitle subjects itself to the terms of this section.

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