

Article - Insurance

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§20-408.

(a) (1) Each Association member shall apply and collect any assessment surcharge that the Association member elects to recoup under § 20-407 of this subtitle.

(2) Policyholders of an Association member shall receive any excess surcharge credits and may be charged for any surcharge shortfall that the Association member receives from or is charged by the Association.

(b) (1) If an Association member elects on or before June 30 to recoup its share of an assessment, the Association member must identify clearly the assessment surcharge imposed on its policyholders by stating on the premium billing of each policyholder: "Recoupment of MAIF assessment, \$_____".

(2) No other statement may accompany the premium billing.

(c) Each Association member shall:

(1) report quarterly to the Association; and

(2) require an officer of the Association member to certify, in the manner required by the Board of Directors, that any amounts collected and paid are an accurate accounting of the assessment surcharges of the Association member.

(d) (1) Each Association member may keep separate and detailed records of any expenses actually incurred that are directly attributable to collection of the assessment surcharge authorized under subsection (a) of this section.

(2) The Commissioner shall consider verified and relevant expenses to be appropriate cost items in a subsequent rate filing by the Association member.

(e) If a policyholder fails to pay the assessment surcharge when due, the Association member may cancel the policy in accordance with the terms of the policy for nonpayment of premium.

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