Article - Insurance

[Previous][Next]

§4–112.

(a) A certificate of authority expires on the first June 30 after its effective date unless it is renewed as provided in this section.

(b) At least 2 months before a certificate of authority expires, the Commissioner shall mail to the holder of the certificate of authority, at the last known address of the holder:

(1) a renewal application form; and

(2) a notice that states:

(i) the date on which the current certificate of authority expires;

(ii) the date by which the Commissioner must receive the renewal application for the renewal to be issued and mailed before the certificate of authority expires; and

(iii) the amount of the renewal fee.

(c) Before a certificate of authority expires, the holder of the certificate of authority may renew it for an additional 1-year term, if the holder:

(1) otherwise is entitled to a certificate of authority;

(2) files with the Commissioner a renewal application on the form that the Commissioner provides; and

(3) pays to the Commissioner the appropriate renewal fee required by § 2-112 of this article.

(d) (1) The Commissioner shall renew the certificate of authority of each holder who meets the requirements of this subtitle.

(2) If a certificate holder pays the applicable renewal fee before the certificate of authority expires, the certificate of authority remains in effect until the Commissioner renews or refuses to renew the certificate of authority.

(e) (1) An insurer shall mail a renewal application and the applicable renewal fee on or before June 30. An insurer that fails to renew its certificate of authority on or before June 30 may forfeit:

(i) $500 for each day from July 1 through July 10;

(ii) $1,000 for each day from July 11 through July 31; and

(iii) $5,000 for each day after July 31.

(2) In addition to the provisions imposed under paragraph (1) of this subsection, an insurer that fails to renew its certificate of authority on or before June 30 in the previous year shall:

(i) renew its certificate of authority on or before June 1 of the current year; and

(ii) forfeit $3,000 if the insurer fails to renew its certificate of authority on or before June 30 in the current year.

(3) In addition to the monetary penalties imposed under this subsection, on July 1 of each year, for each insurer that fails to file its renewal application and continuation fee on or before June 30, the Commissioner may:

(i) order that the insurer cease and desist from engaging further from the writing of insurance in this State in accordance with § 4-114 of this subtitle; or

(ii) issue an order to require the insurer to show cause why it should be allowed to continue to engage in the insurance business in the State.

(f) In determining the amount of any financial penalty or forfeiture to be imposed under this section, the Commissioner:

(1) shall consider the following factors:

(i) the seriousness of the violation;

(ii) the good faith of the violator;

(iii) the violator's history of previous violations;

(iv) the deleterious effect of the violation on the public and the insurance industry; and

(v) the assets of the violator; and

(2) may determine the appropriate amount of the penalty or forfeiture.

[Previous][Next]