
By: Senator Della

Introduced and read first time: February 2, 1996

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of requiring insurers to accept and honor requests for a change of agent
4 of record or broker of record within a certain time period; requiring a new agent of
5 record or broker of record to be paid certain compensation under certain
6 circumstances; requiring a request for a change of agent of record or broker of
7 record to be in writing and include certain information; and generally relating to a
8 change of agent of record or broker of record in insurance.

9 BY adding to

10 Article 48A - Insurance Code
11 Section 234D
12 Annotated Code of Maryland
13 (1994 Replacement Volume and 1995 Supplement)

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

16 **Article 48A - Insurance Code**

17 234D.

18 (A) EACH INSURER AUTHORIZED TO DO BUSINESS IN THE STATE SHALL
19 ACCEPT AND HONOR EACH REQUEST FOR A CHANGE OF AGENT OF RECORD OR
20 BROKER OF RECORD WITHIN 10 WORKING DAYS AFTER RECEIPT OF THE REQUEST
21 UNLESS THE POLICYHOLDER WITHDRAWS THE REQUEST IN WRITING.

22 (B) THE NEW AGENT OF RECORD OR BROKER OF RECORD SHALL BE PAID
23 ALL COMPENSATION EARNED ON THE POLICY EFFECTIVE FROM THE FIRST
24 ANNIVERSARY DATE OF THE POLICY FOLLOWING THE DATE OF CHANGE.

25 (C) A REQUEST FOR A CHANGE OF AGENT OF RECORD OR BROKER OF
26 RECORD SHALL:

27 (1) BE IN WRITING; AND

28 (2) INCLUDE:

29 (I) THE INSURED'S NAME AND ADDRESS;

SENATE BILL 541

2

1 (II) THE INSURER'S NAME AND ADDRESS;

2 (III) THE POLICY NUMBER;

3 (IV) THE DATE OF THE REQUEST; AND

4 (V) THE SIGNATURE OF THE INSURED.

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