

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1195 (Delegate Love, et al.)
Economic Matters

Insurance Agents - Termination of Agency Agreement - Commissions

This bill requires an insurer to continue to renew a policy not replaced by another insurer after the termination of an agent's or broker's agency agreement regardless of the time since the termination of that agreement. Furthermore, such policies must be renewed at the same rate of commission provided in the agency agreement at the time of termination.

In addition, the bill clarifies that a provision of the law prohibiting the payment of commissions to a person other than a qualified agent or broker does not prohibit an insurer from paying commissions on renewal premiums solely because the agency agreement between an insurer and agent has terminated.

Fiscal Summary

State Effect: None. The bill would not substantively change the operations or finances of the Maryland Insurance Administration.

Local Effect: None.

Information Source(s): Maryland Insurance Administration

Fiscal Note History: First Reader - February 28, 1996

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