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**By: Delegate Harrison**

Introduced and read first time: January 27, 1997

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of requiring an authorized insurer to accept and honor a request by a  
4 policyholder for a change of agent or broker of record within a certain time period  
5 under certain circumstances; requiring a new agent or broker of record to have a  
6 current appointment or contract with the authorized insurer before the change of  
7 agent or broker of record will be effective; requiring a new agent or broker of record  
8 to be paid certain commissions under certain circumstances; requiring a request for  
9 a change of agent or broker of record to be in writing and include certain  
10 information; providing that this Act does not require an authorized insurer to  
11 appoint or contract with an agent or broker of record; and generally relating to a  
12 change of agent or broker of record in insurance.

13 BY adding to

14 Article - Insurance  
15 Section 27-911  
16 Annotated Code of Maryland  
17 (1995 Volume and 1996 Supplement)  
18 (As enacted by Chapter \_\_\_\_\_ (H.B. 11) of the Acts of the General Assembly of  
19 1997)

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

22 **Article - Insurance**

23 27-911.

24 (A) EACH AUTHORIZED INSURER DOING BUSINESS IN THE STATE SHALL  
25 ACCEPT AND HONOR EACH REQUEST BY A POLICYHOLDER FOR A CHANGE OF  
26 AGENT OR A CHANGE OF BROKER OF RECORD WITHIN 30 WORKING DAYS AFTER  
27 RECEIPT OF THE REQUEST UNLESS THE POLICYHOLDER WITHDRAWS THE REQUEST  
28 IN WRITING.

29 (B) THE NEW AGENT OR BROKER OF RECORD MUST HAVE A CURRENT  
30 APPOINTMENT OR CONTRACT WITH THE AUTHORIZED INSURER BEFORE THE  
31 CHANGE OF AGENT OR BROKER OF RECORD WILL BE EFFECTIVE.

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1 (C) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS  
2 SUBSECTION, THE NEW AGENT OR BROKER OF RECORD SHALL BE PAID ALL  
3 COMMISSIONS PAYABLE ON THE POLICY EFFECTIVE NOT LATER THAN THE NEXT  
4 ANNIVERSARY DATE OF THE POLICY FOLLOWING THE DATE OF CHANGE.

5 (2) THE COMMISSIONS PAYABLE UNDER PARAGRAPH (1) OF THIS  
6 SUBSECTION DO NOT INCLUDE:

7 (I) VESTED LIFE INSURANCE COMMISSIONS; OR

8 (II) SUPPLEMENTAL HEALTH INSURANCE COMMISSIONS.

9 (D) A REQUEST FOR A CHANGE OF AGENT OR BROKER OF RECORD SHALL:

10 (1) BE IN WRITING; AND

11 (2) INCLUDE:

12 (I) THE POLICYHOLDER'S NAME AND ADDRESS;

13 (II) THE AUTHORIZED INSURER'S NAME AND ADDRESS;

14 (III) THE POLICY NUMBER;

15 (IV) THE NAME AND ADDRESS OF THE NEW AGENT OR BROKER OF  
16 RECORD;

17 (V) THE DATE OF THE REQUEST; AND

18 (VI) THE SIGNATURE OF THE POLICYHOLDER.

19 (E) THIS SECTION DOES NOT REQUIRE AN AUTHORIZED INSURER TO  
20 APPOINT OR CONTRACT WITH AN AGENT OR BROKER OF RECORD.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 1997.