

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 476 (Senator Della)
Finance

Referred to Economic Matters

Insurance - Change of Agent or Broker of Record

This amended bill requires an authorized insurer to honor a request by a policyholder for a change of agent or broker of record within 30 working days after receiving the request and to pay the new agent or broker all commissions payable on the policy effective by the next anniversary date of the policy following the effective date of change. The request for a change of agent or broker must be in writing and include specified information.

The new agent or broker of record must have a current appointment and contract with the authorized insurer before the change of agent and broker will be effective. This bill does not require an authorized insurer to (1) appoint and contract with agents or brokers; (2) alter an insurer's existing contract with an agent or broker which provides for direct compensation in lieu of commission; and (3) require the payment of full commissions to a new agent or broker where the original or current agent or broker continues to have responsibility for processing and matters related to the policyholder.

Fiscal Summary

State Effect: None. The bill would not directly affect State operations or finances.

Local Effect: None.

Small Business Effect: None. The requirement that an insurer honor a request for a change of agent or broker of record should not directly affect small businesses.

Information Source(s): Maryland Insurance Administration, Department of Fiscal Services

Fiscal Note History: First Reader - February 3, 1997

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