

HOUSE BILL 1179

C4

8lr3220
CF SB 880

By: **Delegate W. Miller**

Introduced and read first time: February 8, 2018

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Insurance – Certificates of Insurance – Fee**

3 FOR the purpose of providing that an insurance producer is not prohibited from charging
4 and collecting a fee, not exceeding a certain amount, for services rendered in issuing
5 a certain certificate of insurance or other evidence of coverage on behalf of a
6 commercial policyholder under certain circumstances; and generally relating to
7 certificates of insurance under commercial insurance policies.

8 BY repealing and reenacting, without amendments,

9 Article – Insurance

10 Section 27–216(a) and (b)(1)

11 Annotated Code of Maryland

12 (2017 Replacement Volume)

13 BY repealing and reenacting, with amendments,

14 Article – Insurance

15 Section 27–216(b)(2)

16 Annotated Code of Maryland

17 (2017 Replacement Volume)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Insurance**

21 27–216.

22 (a) A person may not willfully collect a premium or charge for insurance if the
23 insurance is not then provided, or is not in due course to be provided subject to acceptance
24 of the risk by the insurer, in a policy issued by an insurer as authorized by this article.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) A person may not willfully collect a premium or charge for insurance
2 that:

3 (i) exceeds or is less than the premium or charge applicable to that
4 insurance under the applicable classifications and rates as filed with and approved by the
5 Commissioner; or

6 (ii) if classifications, premiums, or rates are not required by this
7 article to be filed with and approved by the Commissioner, exceeds or is less than the
8 premium or charge specified in the policy and set by the insurer.

9 (2) Paragraph (1) of this subsection does not prohibit:

10 (i) a surplus lines broker that holds a certificate of qualification
11 under Title 3, Subtitle 3 of this article from charging and collecting applicable State and
12 federal taxes in addition to the required premium;

13 (ii) a life insurer from charging and collecting the amount actually
14 expended for a medical examination of an applicant for life insurance or reinstatement of a
15 policy of life insurance;

16 (iii) an insurance producer from charging a fee, not exceeding 15% of
17 the premium, for services rendered in replacing insurance in an insurer if commissions are
18 not payable by the insurer; [or]

19 (iv) a fund producer from charging and collecting, as actual expenses
20 incurred in placing automobile insurance with the Maryland Automobile Insurance Fund:

21 1. a maximum charge of \$25 plus \$1 more than the actual
22 charge by the Motor Vehicle Administration for a driving record required to be presented
23 with the application, unless otherwise provided by the Fund; or

24 2. the amount provided in subsection (e) of this section; **OR**

25 **(V) AN INSURANCE PRODUCER FROM CHARGING AND**
26 **COLLECTING A FEE, NOT EXCEEDING \$30, FOR SERVICES RENDERED IN ISSUING A**
27 **CERTIFICATE OF INSURANCE OR OTHER EVIDENCE OF COVERAGE ON BEHALF OF A**
28 **COMMERCIAL POLICYHOLDER IF:**

29 **1. THE POLICYHOLDER HAS CONSENTED, IN WRITING**
30 **AND BEFORE ANY SERVICES ARE RENDERED, ON A FORM THAT INCLUDES:**

31 **A. A DESCRIPTION OF THE SERVICES;**

32 **B. THE AMOUNT OF FEES TO BE CHARGED;**

1 **C. A STATEMENT THAT THE PRODUCER MAY ALSO**
2 **RECEIVE A COMMISSION FOR SELLING, SOLICITING, OR NEGOTIATING THE**
3 **UNDERLYING INSURANCE POLICY; AND**

4 **D. THE POLICYHOLDER'S SIGNATURE; AND**

5 **2. A SCHEDULE OF FEES AND DOCUMENTATION FOR**
6 **SERVICES RENDERED:**

7 **A. IS MAINTAINED IN THE INSURANCE PRODUCER'S**
8 **OFFICE; AND**

9 **B. IS MADE AVAILABLE TO APPLICANTS OR**
10 **POLICYHOLDERS ON REQUEST.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2018.