

## Article - Insurance

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§3-306.1.

(a) (1) A diligent search required by § 3-306 of this subtitle shall be deemed completed if:

(i) the insured or the surplus lines broker or insurance producer obtains declinations of a risk from three authorized insurers that are writing the particular kind and class of insurance in this State; and

(ii) the declinations are included in the affidavit required under § 3-307 of this subtitle.

(2) In addition to the requirement of paragraph (1)(i) of this subsection, an insurance producer shall obtain a declination from each insurer for which the insurance producer has been appointed that the insurance producer knows, or should know, is actually writing on a broad basis the particular kind and class of insurance sought.

(b) A diligent search may not be required:

(1) for any coverage on a list of eligible surplus lines coverages compiled by the Commissioner; or

(2) if the diligent search is waived by an exempt commercial purchaser in accordance with the Act.

(c) Notwithstanding the renewal provisions of § 3-306(c) of this subtitle, a diligent search shall be required for each renewal of a personal lines insurance policy written through a surplus lines insurer.

(d) Notwithstanding subsection (b)(2) of this section, a surplus lines broker is not required to perform a diligent search to determine whether the full amount or type of insurance can be obtained from admitted insurers when the surplus lines broker is seeking to procure or place nonadmitted insurance for an exempt commercial purchaser if:

(1) the surplus lines broker has disclosed to the exempt commercial purchaser that the insurance may or may not be available from admitted insurers that may be subject to greater protection and regulatory oversight; and

(2) the exempt commercial purchaser subsequently has requested the surplus lines broker in writing to procure nonadmitted insurance from or place the nonadmitted insurance with a nonadmitted insurer.

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