

SENATE BILL 637

C4

6lr3262
CF HB 1387

By: **Senator Jackson**

Introduced and read first time: February 5, 2026

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 25, 2026

CHAPTER _____

1 AN ACT concerning

2 **Maryland Automobile Insurance Fund – Fund Producer ~~Minimum~~ Commission**
3 **Rate ~~– Repeal~~**

4 FOR the purpose of ~~repealing~~ altering the minimum commission rate that the Maryland
5 Automobile Insurance Fund is required to pay to a fund producer of a policyholder
6 to whom a policy is issued for private passenger auto insurance; prohibiting the Fund
7 from paying a commission to a fund producer for a policy written directly by the Fund
8 without the involvement of a fund producer; and generally relating to the Maryland
9 Automobile Insurance Fund.

10 BY repealing and reenacting, with amendments,
11 Article – Insurance
12 Section 20–512
13 Annotated Code of Maryland
14 (2017 Replacement Volume and 2025 Supplement)

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

17 **Article – Insurance**

18 20–512.

19 (a) Except as provided in subsection (b) of this section, the Fund shall pay to a
20 fund producer of a policyholder to whom a policy is issued a commission:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (1) for private passenger auto insurance issued by the Fund, at a rate
2 determined by the Fund but ~~not less than 10%~~ 5% and ~~not~~ not to exceed 15% of the total
3 premium; and

4 (2) for any other insurance issued by the Fund, at a rate determined by the
5 Fund but not to exceed 10% of the total premium.

6 (b) The Fund may not pay a commission:

7 (1) on a fully earned basis;

8 (2) if a prospective insured fails to qualify under § 20–502 of this subtitle;
9 ~~or~~

10 (3) if a prospective insured’s initial payment to the Fund, a fund producer,
11 or premium finance company is not honored; OR

12 **(4) ON A POLICY WRITTEN DIRECTLY BY THE FUND WITHOUT THE**
13 **INVOLVEMENT OF A FUND PRODUCER.**

14 (c) If a policy issued by the Fund is canceled, the Fund shall refund any unearned
15 commissions.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2026.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.