

## Chapter 796

**(Senate Bill 637)**

AN ACT concerning

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

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

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

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

**Article – Insurance**

20–512.

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

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

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

(b) The Fund may not pay a commission:

(1) on a fully earned basis;

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

☞

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

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

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

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

**Approved by the Governor, May 26, 2026.**