

(6) THERE IS COMPLIANCE WITH OTHER APPLICABLE PROVISIONS OF THIS SUBTITLE.

(B) FAVORABLE PREMIUMS OR TERMS ALLOWED.

THIS SUBTITLE DOES NOT PROHIBIT A LOWER PREMIUM RATE OR MORE FAVORABLE TERMS IN THE INSURANCE CONTRACT OF AN UNAUTHORIZED INSURER IF THE RISK IS ELIGIBLE AS SURPLUS LINES UNDER SUBSECTION (A)(2), (3), AND (4) OF THIS SECTION.

(C) RENEWAL OF SURPLUS LINES RISK.

(1) THIS SECTION DOES NOT PROHIBIT A SURPLUS LINES BROKER FROM RENEWING A RISK WITH A SURPLUS LINES INSURER IF THE RISK WAS INITIALLY WRITTEN ON A SURPLUS LINES BASIS WHEN THERE WERE FEWER THAN THREE AUTHORIZED INSURERS ACTUALLY WRITING ON A BROAD BASIS THE PARTICULAR KIND AND CLASS OF INSURANCE TO PROVIDE COVERAGE AGAINST LIABILITY OF PERSONS DESCRIBED IN § XX-XXX OF THIS ARTICLE [48A § 551 (C)(1), (2), AND (3)] IN THE STATE.

(2) EVEN IF ON THE DATE OF RENEWAL THREE OR MORE AUTHORIZED INSURERS ARE WRITING ON A BROAD BASIS THE PARTICULAR KIND AND CLASS OF INSURANCE REQUIRED BY THE INSURED, A RISK INITIALLY ELIGIBLE FOR SURPLUS LINES INSURANCE MAY BE RENEWED ON A SURPLUS LINES BASIS IF THE SURPLUS LINES INSURER OR BROKER GIVES TO THE INSURED APPROPRIATE NOTICE OF THE AVAILABILITY OF COMPARABLE TYPES OF INSURANCE BEING WRITTEN BY THREE OR MORE AUTHORIZED INSURERS:

(I) EACH YEAR; AND

(II) SUFFICIENTLY IN ADVANCE OF THE RENEWAL DATE TO ALLOW THE INSURED TO DETERMINE WHETHER TO RENEW THE POLICY WITH THE SURPLUS LINES INSURER.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 184(b), (c), (d), and (a), as it related to insurance against liability of persons described in former Art. 48A, § 551(c)(1), (2), and (3).

In subsection (a)(2) of this section, the former word "effort" is deleted as included in the word "search".

Subsection (a)(4) of this section is revised to clarify when insurance is eligible as surplus lines insurance for persons described in former Art. 48A, § 551(c)(1), (2), and (3) – now § XX-XXX of this article. In subsection (b) of this section, the cross-reference to subsection (a)(4) of this section is added for clarity.

In subsection (c)(2) of this section, the former phrase "after July 1, 1980" is deleted as obsolete.