

HOUSE BILL 1387

C4

6lr3254
CF SB 637

By: **Delegates Coley, Phillips, Rogers, Ruff, Stinnett, and Taylor**

Introduced and read first time: February 13, 2026

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

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

4 FOR the purpose of repealing the minimum commission rate that the Maryland Automobile
5 Insurance Fund is required to pay to a fund producer of a policyholder to whom a
6 policy is issued for private passenger auto insurance; and generally relating to the
7 Maryland Automobile Insurance Fund.

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

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

15 **Article – Insurance**

16 20–512.

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

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2 (1) on a fully earned basis;

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

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

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

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