

## **10-128 Countersignature**

- (a) Scope of section.- This section does not apply to:
- (1) reinsurance;
  - (2) life insurance, health insurance, or annuity contracts;
  - (3) insurance of:
    - (i) rolling stock, vessels, or aircraft of a common carrier used in interstate or foreign commerce;
    - (ii) a vehicle principally garaged and used outside the State; or
    - (iii) liability or other risks, incident to the ownership, maintenance, or operation of a subject of insurance under item (i) or (ii) of this item;
  - (4) insurance of property while transported in interstate or in foreign trade, or any liability or risk incident to the transportation;
  - (5) insurance of wet marine and transportation risks;
  - (6) bid bonds issued in connection with public or private contracts;
  - (7) policies or endorsements issued through:
    - (i) insurance producers compensated only by salary;
    - (ii) insurers not using insurance producers in the general solicitation of business;
    - (iii) mutual insurers or other insurers not customarily using insurance producers compensated by commission if no commission is payable to an insurance producer on the policy or endorsement; or
    - (iv) insurers or groups of insurers under common management or control that are represented exclusively by insurance producers who represent only the insurers or groups of insurers;
  - (8) reciprocal insurers; or
  - (9) insurance written through:
    - (i) the Maryland Automobile Insurance Fund; or
    - (ii) the Maryland Property Insurance Availability Program.
- (b) Effect of section.- This section does not alter the requirements of § 10-119 of this subtitle.
- (c) Signature or countersignature by resident insurance producer not required; exception.-
- (1) Notwithstanding any other provision of law of this State or of policy forms, and subject to paragraph (2) of this subsection, an insurance producer that is a resident of this State may not be required to sign or countersign a policy covering a subject of insurance resident, located, or to be performed in this State.
  - (2) A policy covering a subject of insurance resident, located, or to be performed in this State shall be signed or countersigned by an insurance producer that is a resident of this State if:
    - (i) the policy is written by an insurance producer that is a resident of another state and is qualified as a nonresident insurance producer in this State; and
    - (ii) the law of the other state requires a signature or countersignature by an insurance producer that is a resident of that state on a policy written by an insurance producer that is not a resident in that state.
  - (3) A policy is not invalid because it does not have the required signature or countersignature.
- (d) Persons authorized to sign or countersign policy.-
- (1) A person may not sign or countersign a policy or endorsement subject to this section unless the person:
    - (i) is a licensed insurance producer;
    - (ii) is a resident of this State;
    - (iii) is compensated by commissions on policies subject to this section; and
    - (iv) is not an employee or officer of the insurer issuing the policy.
  - (2) This section does not prevent an insurance producer from:
    - (i) delegating the duty of signing or countersigning to employees of the insurance producer that are not also employees of lending institutions; or
    - (ii) directing the payment of commissions on policies subject to this section to a corporation or partnership insurance agency or otherwise.
- (e) Prerequisite to countersignature.- An insurance producer may not countersign a policy or endorsement unless the policy or endorsement states, as applicable:
- (1) the rates or premiums;
  - (2) a description of the property insured; and
  - (3) the name and address of the insured.
- (f) Commissions.- If the law of another state requires an insurance producer that is a resident of that state to keep part of the commission paid on a policy written, countersigned, or delivered by the insurance producer in that state on request of a nonresident insurance producer of that state, an insurance producer that is a resident of this State and that signs or countersigns a policy written by an insurance producer that

is a resident of the other state and qualified as a nonresident insurance producer in this State covering a subject of insurance resident, located, or to be performed in this State shall keep an equal pro rata part of any commission on the policy.

[An. Code 1957, art. 48A, § 59; 1995, ch. 36; 2001, ch. 731, § 1; 2002, ch. 19, § 1.]