It is enacted by the General Assembly as follows:

SECTION 1. Chapter 27-3 of the General Laws entitled “Surplus Lines Insurance” is hereby amended by adding thereto the following section:

27-3-52. Payment of surplus lines insurance - Cancellation.

If a surplus lines insurer allows agency bill by the surplus lines broker, the surplus lines broker may bill the producing agent the net payment (gross premium minus any commissions and fees). The bill is not due to surplus lines broker by the producing agent any earlier than forty-five (45) days after the end of the month in which the transaction occurs. After the forty-five (45) day period the policy may be cancelled with a non-payment of premium cancellation notice that will include a ten (10) day notice.

SECTION 2. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N   A C T
RELATING TO INSURANCE -- SURPLUS LINES INSURANCE

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1   This act would allow the surplus lines producing insurance agent forty-five (45) days for
2   net payment (gross payment minus commission and fees) to the broker before the policy may be
3   cancelled for nonpayment (after ten (10) day notice).
4   This act would take effect upon passage.

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