

60A.205 COMPENSATION.

Subdivision 1. **Authorization.** A surplus lines broker may be compensated by an eligible surplus lines insurer and the broker may compensate a licensed agent in this state for obtaining nonadmitted insurance business. A licensed agent authorized by the broker may collect a premium on behalf of the broker, and as between the insured and the broker, the broker shall be considered to have received the premium if the premium payment has been made to the agent.

Subd. 2. **Consequences of receipt.** If an eligible surplus lines insurer has assumed a risk, and if the premium for that risk has been received by the broker who placed the insurance, then as between the insurer and the insured, the insurer shall be considered to have received the premium due to it for the coverage and shall be liable to the insured for any loss covered by the insurance and for the unearned premium upon cancellation of the insurance, regardless of whether the broker is indebted to the insurer.

History: 1981 c 221 s 10; 2009 c 178 art 1 s 10; 2011 c 108 s 18,19