

## CHAPTER 401.

AN ACT to repeal and re-enact with amendments Sections 379, 380 and 381 of Article 23 of the Annotated Code of Public Civil Laws of Maryland (Legalized by Chapter 21 of the Acts of the General Assembly of Maryland of 1912), title "Corporations," sub-title "Trust, Surety and Fidelity Companies," relating to the execution, validity and effect of fidelity and surety bonds, and to certain requirements as to capital, surplus, reserves and deposits of companies issuing said classes of bonds, and the filing of certain papers and statements of such companies, and further relating to the powers, qualifications and authority of such companies to become surety or guarantor on such bonds, and repealing all acts inconsistent therewith.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 379, 380 and 381 of Article 23 of the Annotated Code of Public Civil Laws of Maryland (legalized by Chapter 21 of the Acts of the General Assembly of Maryland of 1912), title "Corporations," sub-title "Trust, Surety and Fidelity Companies," be and the same are hereby repealed and re-enacted with amendments, so as to read as follows:

379. Such company or companies to be so qualified as to act as such surety or guarantor must comply with the requirements of every law of this State applicable to such company or companies doing business therein, must be authorized under the laws of the State where incorporated and under its charter to become surety upon such bond, undertaking obligation, recognizance or guaranty; must have a fully paid up and safely invested and unimpaired capital of at least two hundred and fifty thousand dollars (\$250,000); must have good, available assets of at least one hundred and twenty-five thousand dollars (\$125,000) in excess of liabilities, which liabilities, for the purpose of this and the preceding section, shall, in addition to the capital stock, be taken to be all outstanding indebtedness of the corporation and the premium reserve on policies in force, equal to the unearned portions of the gross premiums charged for covering the risks, computed on each respective risk from the date of the issuance of the policy; or, in the discretion of the Insurance Commissioner, at the rate of fifty per centum of the current annual premiums on each outstanding bond, undertaking, recognizance and obligation of like character in force; must file with the State Insurance