

JOINT INSURANCE ASSOCIATION

478C.

(1) *There is hereby established a Joint Insurance Association consisting of all insurers licensed to write in this State, on a direct basis, Essential Property Insurance or any component thereof in multi-peril policies. Every such insurer shall be a member of the Association and shall remain a member as a condition of its authority to transact such kinds of insurance in this State. In addition, other insurers may become members with the consent of the Commissioner.*

(2) *The Association is authorized pursuant to the provisions of this subtitle to establish a program of operation, subject to approval by the Commissioner, and to cause the issuance of policies of insurance, and to assume and cede reinsurance on risks written by insurers in conformity with the program.*

(3) *Each member of the Association shall participate in the expenses, profits and losses of the Association in the proportion that its Premiums Written bear to the aggregate Premiums Written by all members of the Association.*

(4) *The Association shall be administered by a Governing Committee subject to the supervision of the Commissioner. The Governing Committee acting as such under the voluntary Maryland Property Insurance Availability Program immediately prior to the effective date of this Act shall become the first Governing Committee under this Act. Thereafter, succeeding Governing Committees shall consist of nine (9) members of the Association elected annually by the members of the Association whose votes shall be weighted in accordance with the member's Premiums Written.*

(5) *Within thirty (30) days following the effective date of the Act creating this subtitle, the Governing Committee shall submit to the Commissioner for his review a proposed program of operation, consistent with the provisions of this subtitle, which shall provide for economical, fair and non-discriminatory administration and for the prompt and efficient provision of Essential Property Insurance coverage to promote orderly community development, and which shall contain other matters including but not limited to, preliminary assessment of all members for initial expenses necessary to commence operations, establishment of necessary facilities, management of the Association, assessment of members to defray losses and expenses, commission arrangements, reasonable and objective underwriting standards, acceptance and cession of reinsurance, and procedures for determining amounts of insurance to be provided. The program of operation shall be subject to approval by the Commissioner, after consultation with affected individuals and organizations, and shall take effect ten days after having been approved by him. If the Commissioner disapproves all or any part of the proposed program of operation, the Governing Committee shall within thirty days submit for review an appropriately revised plan of operation or part thereof, and, if the Governing Committee fails to do so, the Commissioner shall promulgate a program of operation or part thereof, as the case may be.*

(6) *The Association may, on its own initiative, with the approval of the Commissioner, or at the request of the Commissioner, amend*