

“Life insurer” § 1-101
“Person” § 1-101
“Policy” § 1-101
“State” § 1-101

5-202. INADEQUATE RESERVES OF INSURER.

(A) UNEARNED PREMIUM RESERVE.

IF THE COMMISSIONER DETERMINES THAT AN INSURER'S UNEARNED PREMIUM RESERVE IS INADEQUATE, THE COMMISSIONER MAY REQUIRE THE INSURER TO COMPUTE ALL OR PART OF THE RESERVE BY ANOTHER METHOD THAT IS REQUIRED UNDER THIS SUBTITLE.

(B) LOSS RESERVES.

IF THE COMMISSIONER DETERMINES THAT AN INSURER'S LOSS RESERVES ARE INADEQUATE AS SHOWN BY THE INSURER'S LOSS EXPERIENCE, THE COMMISSIONER SHALL REQUIRE THE INSURER TO INCREASE THE RESERVES AND MAINTAIN THEM AT AN ADEQUATE LEVEL.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 82.

In subsection (a) of this section, the phrase “however computed”, which formerly modified “unearned premium reserve”, is deleted as surplusage.

In subsection (b) of this section, the phrase “[i]f the Commissioner determines” is new language added to state expressly that which only was implied in the former law – *i.e.*, the Commissioner determines whether the loss experience of an insurer shows that loss reserves are inadequate.

Also in subsection (b) of this section, the phrase “however estimated”, which formerly modified “loss reserves”, is deleted as surplusage.

Defined terms: “Commissioner” § 1-101
“Insurer” § 1-101
“Premium” § 1-101

5-203. ACTIVE LIFE RESERVES FOR HEALTH INSURANCE.

(A) REQUIRED.

AN INSURER SHALL MAINTAIN ACTIVE LIFE RESERVES FOR ALL HEALTH INSURANCE POLICIES.

(B) CRITERIA.

THE ACTIVE LIFE RESERVES:

(1) SHALL PLACE A SOUND VALUE ON THE INSURER'S LIABILITIES UNDER THE HEALTH INSURANCE POLICIES;