

(2) MAY NOT BE LESS THAN THE RESERVES REQUIRED BY THE APPROPRIATE STANDARDS SET FORTH IN REGULATIONS THAT THE COMMISSIONER ADOPTS; AND

(3) IN THE AGGREGATE, MAY NOT BE LESS THAN THE PRO RATA GROSS UNEARNED PREMIUMS FOR THE HEALTH INSURANCE POLICIES.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 79.

Defined terms: "Health insurance" § 1-101

"Insurer" § 1-101

"Policy" § 1-101

"Premium" § 1-101

5-204. LOSS RESERVES FOR LIABILITY INSURANCE AND WORKERS' COMPENSATION.

(A) IN GENERAL.

THE RESERVES AGAINST LOSS OR DAMAGE FROM ACCIDENT TO OR INJURIES SUFFERED BY AN EMPLOYEE OR OTHER PERSON THAT MUST BE INCLUDED IN AN INSURER'S ANNUAL STATEMENT REQUIRED UNDER THIS ARTICLE SHALL BE COMPUTED IN ACCORDANCE WITH THIS SECTION.

(B) LIABILITY SUITS — POLICIES MADE AT LEAST 3 YEARS BEFORE STATEMENT.

THE RESERVES FOR EACH LIABILITY SUIT BEING DEFENDED SHALL BE:

(1) \$1,500, IF THE SUIT IS BROUGHT UNDER A POLICY MADE MORE THAN 10 YEARS BEFORE THE DATE OF THE ANNUAL STATEMENT;

(2) \$1,000, IF THE SUIT IS BROUGHT UNDER A POLICY MADE AT LEAST 5 BUT LESS THAN 10 YEARS BEFORE THE DATE OF THE ANNUAL STATEMENT; AND

(3) \$850, IF THE SUIT IS BROUGHT UNDER A POLICY MADE AT LEAST 3 BUT LESS THAN 5 YEARS BEFORE THE DATE OF THE ANNUAL STATEMENT.

(C) SAME — POLICIES MADE WITHIN 3 YEARS BEFORE STATEMENT.

(1) FOR ALL LIABILITY POLICIES WRITTEN DURING THE 3 YEARS IMMEDIATELY PRECEDING THE DATE OF THE ANNUAL STATEMENT, THE RESERVES SHALL BE 60% OF THE EARNED LIABILITY PREMIUMS OF EACH OF THE 3 YEARS, LESS ALL LOSSES AND EXPENSE PAYMENTS MADE UNDER LIABILITY POLICIES WRITTEN IN THE CORRESPONDING YEARS.

(2) FOR THE FIRST YEAR OF THE 3-YEAR PERIOD, THE RESERVES MAY NOT BE LESS THAN \$750 FOR EACH OUTSTANDING LIABILITY SUIT ON THAT YEAR'S POLICIES.

(D) WORKERS' COMPENSATION CLAIMS.