

(2) ANY AMOUNT RECOVERED IN THE ACTION SHALL BE DEPOSITED IN THE FUNDS OF THE RECIPROCAL INSURER.

(3) THE TOTAL LIABILITY OF THE SURETY INSURER UNDER THE BOND MAY NOT EXCEED THE PENAL SUM OF THE BOND.

(C) CANCELLATION OF BOND.

THE BOND SHALL PROVIDE THAT THE SURETY INSURER MAY NOT CANCEL THE BOND UNLESS THE SURETY INSURER GIVES WRITTEN NOTICE OF CANCELLATION TO THE ATTORNEY IN FACT AND THE COMMISSIONER AT LEAST 30 DAYS BEFORE CANCELING THE BOND.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 287 and 288.

In subsections (a)(1)(iv) and (b)(3) of this section, the references to a surety "insurer" are added for clarity and consistency throughout this article. See, e.g., §§ 10-112 and 10-121 of this article.

In subsections (a)(1)(v)1 and 2 and (b)(1)(ii) and (2) of this section, the references to a "reciprocal" insurer are added for specificity.

In subsection (b)(2) of this section, the former phrase "become part of" is deleted as implicit in the reference to an amount being "deposited in" the funds of the reciprocal insurer.

In subsection (b)(3) of this section, the reference to the "penal sum" of the bond is substituted for the former reference to the "penalty" of the bond for consistency with subsection (a)(1)(ii) of this section.

Also in subsection (b)(3) of this section, the former word "aggregate" is deleted as included in the word "total".

Defined terms: "Commissioner" § 1-101

"Domestic insurer" § 1-101

"Insurer" § 1-101

"Person" § 1-101

"Reciprocal insurer" § 1-101

"Subscriber" § 3-201

3-206. ISSUANCE OF CERTIFICATE OF AUTHORITY.

AFTER PAYMENT OF THE APPLICABLE FEE REQUIRED BY § 2-112 OF THIS ARTICLE, THE COMMISSIONER SHALL ISSUE TO THE ATTORNEY IN FACT OF EACH RECIPROCAL INSURER THAT MEETS THE REQUIREMENTS OF THIS SUBTITLE A CERTIFICATE OF AUTHORITY IN THE NAME OF THE RECIPROCAL INSURER.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 284(a).