

CHAPTER 40.

AN ACT to add ten new sections to Article 48A of the Annotated Code of the Public General Laws of Maryland (Edition of 1924) entitled "Insurance," sub-title "General Provisions," to follow immediately after Section 51A of said Article, and to be known as Sections 51B, 51C, 51D, 51E, 51F, 51G, 51H, 51I, 51J, and 51K, to provide a new method of procedure for the rehabilitation of domestic insurance companies.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That ten new sections be and the same are hereby added to Article 48A of the Annotated Code of the Public General Laws of Maryland (Edition of 1924) entitled "Insurance," sub-title "General Provisions," said new sections to follow immediately after Section 51A, and to be known as Sections 51B, 51C, 51D, 51E, 51F, 51G, 51H, 51I, 51J, and 51K.

51B. Application may be made as set out in Section 51E of this Article for an order authorizing and directing the Insurance Commissioner to rehabilitate any domestic insurance company defined in Section 1 of this Article upon any one or more of the following grounds: That such company (1) is insolvent; or (2) has refused to submit its books, records, papers, accounts, or affairs to the reasonable inspection of the Commissioner, his deputy or examiner; or (3) has neglected or refused to observe an order of the Commissioner to make good within the time prescribed by law any deficiency, whenever its capital stock, if it be a stock corporation, or its reserve, if it be a mutual corporation, shall have become impaired; or (4) has, by contract of reinsurance or otherwise, transferred or attempted to transfer substantially its entire property or business, or entered into any transaction the effect of which is to merge substantially its entire property or business in the property or business of any other corporation, association, society, order, partnership or individual, without having first obtained the written approval of the Commissioner; or (5) is found, after an examination by the Commissioner, to be in such condition that its further transaction of business will be hazardous to its policyholders, bondholders, or to its creditors or to the public; or (6) has willfully violated its charter or any law of the State of Maryland; or (7) has an officer who has refused to be examined under oath, touching its affairs; or (8) is found, after ex-