

CHAPTER 640.

(House Bill 276)

AN ACT to repeal and re-enact, with amendments, Sections 169 and 171 of Article 48A of the Annotated Code of Maryland (1939 Edition), title "Insurance", sub-title "Reciprocal Exchanges and Inter-Insurers" and to add a new section to said Article, title and sub-title as aforesaid, said new section to be known as Section 171A, and to follow immediately after Section 171, said amended sections authorizing the exchange of reciprocal or inter-insurance contracts, and providing for the declaration to be filed by the Attorney in Fact, and making provision for a contingent liability for policyholders, except where an exchange has a surplus equal to the minimum capital and surplus required of a stock company transacting the same kinds of business; and said new section prescribing limitation of time within which suits may be brought to enforce collection of assessments.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Sections 169 and 171 of Article 48A of the Annotated Code of Maryland (1939 Edition), title "Insurance", sub-title "Reciprocal Exchanges and Inter-Insurers", be and the same are hereby repealed and re-enacted, with amendments, to read as follows:

169. *Reciprocal or Inter-Insurance Contracts; Exemptions.* Individuals, partnerships and corporations of this or any other State, hereby designated as subscribers, are hereby authorized to exchange reciprocal or inter-insurance contracts with each other or with individuals, partnerships and corporations of other States and countries providing indemnity among themselves from any loss which may be insured against under other provisions of the laws of the State, excepting life, health and personal accident insurance. Such contracts and the exchange thereof and such subscribers, their attorneys and representatives, shall be regulated by the provisions under this sub-title and by no other law relating to insurance, unless such law is referred to under this sub-title, and no law hereafter enacted shall apply to them, unless they be expressly designated therein.

171. *Attorney Shall File Verified Declaration.* Such subscribers so contracting among themselves, shall, through their attorney, file with the Insurance Commissioner a declaration, verified by the oath of such attorney, or where such attorney is a corporation, by oath of the proper officer thereof, setting forth: