

not on hand, after deducting all debts and claims against it, exclusive of capital stock, an amount of assets of the character authorized by this Article equal in value to fifty per cent. of the statutory minimum surplus required by this Article to qualify to begin business, after charging against said company all debts, legal reserves and other liabilities, it shall be the duty of the Commissioner to publish the fact that the existing condition of the affairs of such company is below the legal standard of solvency established by this State, and he shall require the company at once to cease doing new business and cause a rigid examination in regard to all of the affairs of such company. If it shall thereupon appear that said company is in such condition as to fall below the legal standard of solvency established by this Article, the Commissioner shall not permit said company to continue in control of its business, and it shall be his duty to at once institute the necessary proceedings in accordance with the provisions of this Article for the protection of its policyholders, and to publish the results of the examination of such company whenever he may deem it for the interest of the public to do so; provided, however, that in case it shall appear that there is no fraud, gross incompetency or recklessness in the management of said company, he may allow said company ninety days from the time of the completion of said examination within which to re-establish its statutory minimum surplus, before instituting proceedings as herein provided. Provided that any company having a capital and surplus, if any, authorized or required by the law applicable to such company at the time it was first licensed to do business in this State, may not be proceeded against under the provisions of this Act so long as its statutory surplus, if any, at the time it was first so licensed shall remain unimpaired to the extent of 50%, or if without any statutory surplus at the time it was first licensed as aforesaid, so long as its statutory capital at the time it was so licensed shall remain unimpaired.

SEC. 2. *And be it further enacted*, That this Act shall take effect June 1, 1945.

Approved March 24, 1945.

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CHAPTER 331.

(House Bill 50)

AN ACT to repeal and re-enact, with amendments, Sub-section (j) of Section 2 of Article 88B of the Annotated Code of Maryland (1939 Edition), title "State Police", eliminating