

transfer or release of the residuary interest shall be made when the officers of the insurer which has been merged or consolidated and of the continuing insurer make affidavit that the liabilities of the merged or consolidated insurer have been extinguished, cancelled or reinsured.

118. Release Only on Order.

No release of deposited funds or assets shall be made except upon application to and written order of the Commissioner. The Commissioner shall have no personal liability for any such release of any such deposit or part thereof so made by him in good faith.

9. TRUSTEED ASSETS OF ALIEN INSURERS

119. Scope of Subtitle.

This subtitle applies to all alien insurers desiring to use Maryland as a state of entry to transact insurance business in the United States.

120. Required Deposit of Assets.

(1) An alien insurer may use Maryland as a state of entry to transact insurance business in the United States by making and maintaining in this State a deposit of assets in trust with a solvent bank or trust company approved by the Commissioner.

(2) The deposit, together with other trust deposits of the insurer held in the United States for the same purpose, shall be in amount not less than the deposits required of an alien insurer under section 50(2) of this article, and shall consist of cash and/or securities of the same character and diversification as those eligible for the investment of the funds of domestic insurers under subtitle 6 or 7 of this article.

(3) Such a deposit may be referred to as "trusteed assets."

121. Purpose of Duration.

The deposit required by section 120 shall be for the benefit, security and protection of the policyholders, or policyholders and creditors, of the insurer in the United States. It shall be maintained as long as there is outstanding any liability of the insurer arising out of its insurance transactions in the United States.

122. Trust Agreement; Approval.

(1) The deposit referred to in section 120 shall be made under a written trust agreement between the insurer and the trustee, consistent with the provisions of this subtitle, and shall be authenticated in such form and manner as the Commissioner may designate or approve.

(2) The agreement shall not be effective until filed with and approved in writing by the Commissioner. The Commissioner shall not approve any trust agreement found by him not to be in compliance with law, or the terms of which do not in fact provide reasonably adequate protection for the insurer's policyholders or policyholders and creditors in the United States.