

ume and 1968 Supplement), title "Insurance Code," to follow immediately after Section 490 thereof, and to be under the new subtitle "Maryland Insurance Acquisitions Disclosure and Control Act," to require persons seeking to acquire domestic insurance companies to disclose information with respect to such acquisition, to require domestic insurers to disclose material transactions and relationships between the insurer and its affiliates, to require disclosure of information concerning changes in the control of domestic insurers and imposing penalties for failure to comply with the provisions of this Act.

AN ACT TO ADD NEW SECTIONS 491 THROUGH 503, INCLUSIVE, TO ARTICLE 48A OF THE ANNOTATED CODE OF MARYLAND (1968 REPLACEMENT VOLUME AND 1968 SUPPLEMENT), TITLE "INSURANCE CODE," TO FOLLOW IMMEDIATELY AFTER SECTION 490 THEREOF, AND TO BE UNDER THE NEW SUBTITLE "MARYLAND INSURANCE ACQUISITION DISCLOSURE AND CONTROL ACT," TO AUTHORIZE DOMESTIC INSURERS TO INVEST IN OR ACQUIRE SUBSIDIARIES ENGAGED IN VARIOUS BUSINESSES, TO REQUIRE PERSONS SEEKING TO ACQUIRE DOMESTIC INSURANCE COMPANIES OR CERTAIN INSURANCE HOLDING COMPANIES TO DISCLOSE INFORMATION WITH RESPECT TO SUCH ACQUISITION, TO REQUIRE INSURERS WHICH ARE PART OF INSURANCE HOLDING COMPANY SYSTEMS TO DISCLOSE MATERIAL TRANSACTIONS AND RELATIONSHIP BETWEEN THE INSURER AND ITS AFFILIATES, TO REQUIRE EVERY LICENSED INSURER WHICH IS A MEMBER OF AN INSURANCE HOLDING COMPANY SYSTEM TO REGISTER WITH THE COMMISSIONER, TO PROVIDE STANDARDS FOR TRANSACTIONS BY INSURERS WITH THEIR AFFILIATES, TO REQUIRE ADVANCE NOTICE OF THE PROPOSED PAYMENT OF CERTAIN DIVIDENDS, TO IMPOSE PENALTIES FOR FAILURE TO COMPLY WITH THE PROVISIONS OF THIS ACT, AND RELATING GENERALLY TO INSURERS AND THEIR RELATIONSHIP WITH AFFILIATES.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 491 to 503 inclusive be and they are hereby added to Article 48A of the Annotated Code of Maryland (1968 Replacement Volume and 1968 Supplement) title "Insurance Code," to follow immediately after Section 490 thereof, and to be under the new subtitle "Maryland Insurance Acquisitions Disclosure and Control Act," and to read as follows:

**MARYLAND INSURANCE ACQUISITIONS DISCLOSURE  
AND CONTROL ACT**

491.

(a) *It is hereby found and declared that the public interest and the interest of policyholders and ~~shareholders~~ STOCKHOLDERS are or may be adversely affected when:*

(1) *control of an insurer is sought by persons who would utilize such control adversely to the best interest of policyholders or ~~shareholders~~ STOCKHOLDERS;*