

(h) Failure to file the registration statement or to keep the registration statement current shall constitute a violation of this subtitle.

(I) ANY PERSON MAY FILE WITH THE COMMISSIONER A DISCLAIMER OF AFFILIATION WITH ANY AUTHORIZED INSURER OR SUCH A DISCLAIMER MAY BE FILED BY SUCH INSURER OR ANY MEMBER OF AN INSURANCE HOLDING COMPANY SYSTEM. THE DISCLAIMER SHALL FULLY DISCLOSE ALL MATERIAL RELATIONSHIPS AND BASES FOR AFFILIATION BETWEEN SUCH PERSON AND SUCH INSURER AS WELL AS THE BASIS FOR DISCLAIMING SUCH AFFILIATION. AFTER A DISCLAIMER HAS BEEN FILED, THE INSURER SHALL BE RELIEVED OF ANY DUTY TO REGISTER OR REPORT UNDER THIS SECTION WHICH MAY ARISE OUT OF THE INSURER'S RELATIONSHIP WITH SUCH PERSON UNLESS AND UNTIL THE COMMISSIONER DISALLOWS SUCH A DISCLAIMER. THE COMMISSIONER SHALL DISALLOW SUCH A DISCLAIMER ONLY AFTER FURNISHING ALL PARTIES IN INTEREST WITH NOTICE AND OPPORTUNITY TO BE HEARD, AND AFTER MAKING SPECIFIC FINDINGS OF FACT TO SUPPORT SUCH DISALLOWANCE.

(J) ANY SUCH MATERIAL TRANSACTION WHICH, AFTER NOTICE AND AN OPPORTUNITY TO BE HEARD, IS FOUND TO BE NOT IN CONFORMITY WITH THIS SECTION SHALL CONSTITUTE A VIOLATION OF THIS SUBTITLE, AND IN ADDITION TO THE PENALTIES CONTAINED IN SECTION 400, MAY BE SET ASIDE AND RESCINDED AT THE INITIATIVE OF THE COMMISSIONER OR OTHERWISE UNDER APPLICABLE LAW; PROVIDED, HOWEVER, THAT NOTICE OF ANY PROPOSED ACTION BY THE COMMISSIONER TO SET ASIDE OR RESCIND A MATERIAL TRANSACTION SHALL BE GIVEN TO THE INSURER WITHIN NINETY DAYS OF THE DATE SUCH MATERIAL TRANSACTION IS COMMUNICATED TO THE COMMISSIONER.

(K) AS USED IN THIS SUBSECTION "MATERIAL" SHALL INCLUDE ANY ASSET CHANGE WHICH EXCEEDS IN VALUE THE LESSER OF (1) FIVE (5) PERCENT OF SUCH INSURER'S SURPLUS AS REGARDS POLICYHOLDERS, OR (2) THE NET GAIN FROM OPERATIONS OF A LIFE INSURER OR THE NET INVESTMENT INCOME OF AN INSURER OTHER THAN A LIFE INSURER, DETERMINED AS OF THE 31ST DAY OF DECEMBER NEXT PRECEDING.

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(a) Transactions by insurers with their affiliates are subject to the following standards:

(1) The terms shall be fair and reasonable in consideration of the purposes of this act;

(2) The books, accounts, and records of each party shall be so maintained as to clearly and accurately disclose the precise nature and details of the transactions; and

(3) The insurer's assets and surplus as regards policyholders following any such transactions including dividends or distributions