

attributable to covered policies shall be used to continue all covered policies and pay all contractual obligations of the impaired insurer as required by this subtitle. Assets attributable to covered policies, as used in this subsection, is that proportion of the assets which the reserves that should have been established for such policies bear to the reserves that should have been established for all policies of insurance written by the impaired insurer.

SEC. 2. *And be it further enacted*, That this Act shall take effect July 1, 1972.

Approved April 11, 1972.

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## CHAPTER 29

(Senate Bill 229)

AN ACT to repeal and re-enact, with amendments, Sections 501 (a) and 502 (b) of Article 93A of the Annotated Code of Maryland (1971 Supplement), title "Protection of Minors and Other Persons under Disability," subtitle "Miscellaneous Provisions Relating to Minors," correcting certain errors therein.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Sections 501 (a) and 502 (b) of Article 93A of the Annotated Code of Maryland (1971 Supplement), title "Protection of Minors and Other Persons under Disability," subtitle "Miscellaneous Provisions Relating to Minors," be and they are hereby repealed and re-enacted, with amendments, and to read as follows:

501.

(a) Any person, including, but not limited to, a personal representative or trustee, under a duty to pay or deliver money or tangible chattels to a minor may perform such duty, in amounts or values not exceeding \$5,000 per annum, by paying or delivering the money or chattels to the minor, if he has attained the age of 18 years or is married, but if he has not attained the age of 18 years or is not married, to the guardian of the minor if the person making the payment or delivery has actual knowledge that there is a guardian, and if there be no guardian (or if the payor has no such knowledge), to the parent or grandparent of the minor with whom the minor resides, and if there be none, to a financial institution incident to a deposit in federal or state insured savings account in the sole name of such minor which the minor does not, without a court order, have the power to withdraw, until he attains his majority. A payor shall not be under any duty to inquire whether the minor has a guardian. The persons, other than the minor or any such financial institution receiving money or property for a minor, are obligated to apply the money to the support and education of the minor, may not pay themselves except by way [or] of reimbursement for out-of-pocket expenses for goods and services furnished by others which are necessary for the minor's support. Any excess sums shall be preserved for future support of the minor and any balance not so used and any tangible chattels received for the minor shall be turned over to the