

TERMINATION OF THE POLICY OF A MEMBER DOES NOT RELIEVE THE MEMBER OF HIS CONTINGENT LIABILITY FOR HIS PROPORTION, IF ANY, OF THE OBLIGATIONS OF THE INSURER WHICH ACCRUED WHILE THE POLICY WAS IN FORCE.

(C) UNREALIZED CONTINGENT LIABILITY NOT AN ASSET.

THE UNREALIZED CONTINGENT LIABILITY OF A MEMBER DOES NOT CONSTITUTE AN ASSET OF THE INSURER IN A DETERMINATION OF ITS FINANCIAL CONDITION.

REVISOR'S NOTE: This section presently appears as Art. 48A, §259.

The only changes are in style.

6-510. LEVY OF CONTINGENT LIABILITY.

(A) WHEN ASSESSMENT LEVIED.

THE DIRECTORS OF A DOMESTIC MUTUAL INSURER SHALL LEVY AN ASSESSMENT ON ITS MEMBERS WHO, AT ANY TIME WITHIN THE 36 MONTHS BEFORE THE NOTICE OF THE ASSESSMENT IS MAILED TO THEM, HELD POLICIES PROVIDING FOR CONTINGENT LIABILITY, IF THE ASSETS OF THE INSURER ARE AT ANY TIME:

(1) LESS THAN THE SUM OF ITS LIABILITIES AND THE MINIMUM AMOUNT OF SURPLUS REQUIRED TO BE MAINTAINED TO TRANSACT THE KIND OF INSURANCE BEING TRANSACTED; AND

(2) THE DEFICIENCY IS NOT BEING CURED FROM OTHER SOURCES.

(B) [[MEMBERS LIABLE]] LIABILITY OF MEMBERS.

MEMBERS ON WHOM AN ASSESSMENT IS LEVIED IN ACCORDANCE WITH THIS SECTION ARE LIABLE TO THE INSURER FOR THE AMOUNT ASSESSED.

(C) AMOUNT OF [[TOTAL]] ASSESSMENT.

[[THE ASSESSMENT IS]] (1) THE TOTAL OF ASSESSMENTS SHALL BE FOR THE AMOUNT REQUIRED TO CURE THE DEFICIENCY AND TO PROVIDE A REASONABLE AMOUNT OF WORKING FUNDS ABOVE THE MINIMUM AMOUNT OF SURPLUS. HOWEVER, THE WORKING FUNDS MAY NOT EXCEED 5 PERCENT OF THE INSURER'S LIABILITIES AS OF THE DATE FOR WHICH THE AMOUNT OF THE DEFICIENCY WAS DETERMINED.

(2) THE ASSESSMENT ON A MEMBER MAY NOT EXCEED THE LESSER OF:

(1) ONE POLICY PREMIUM; OR