

CHAPTER 798

(Senate Bill 189)

AN ACT concerning

Insurance Company Liquidations - Priority
of Distribution

FOR the purpose of establishing a certain priority of distribution in an insurance company liquidation proceeding.

BY adding to

Article 48A - Insurance Code
Section 158A
Annotated Code of Maryland
(1972 Replacement Volume and 1977 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 48A - Insurance Code

158A.

CLAIMS BY POLICYHOLDERS, BENEFICIARIES, AND INSURED'S ARISING FROM AND WITHIN THE COVERAGE OF AND NOT IN EXCESS OF THE APPLICABLE LIMITS OF INSURANCE POLICIES AND INSURANCE CONTRACTS ISSUED BY THE COMPANY, AND LIABILITY CLAIMS AGAINST INSURED'S WHICH CLAIMS ARE WITHIN THE COVERAGE OF AND NOT IN EXCESS OF THE APPLICABLE LIMITS OF INSURANCE POLICIES AND INSURANCE CONTRACTS ISSUED BY THE COMPANY, AND CLAIMS OF THE MARYLAND INSURANCE GUARANTY ASSOCIATION AND THE MARYLAND LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION AND ANY SIMILAR ORGANIZATION IN ANOTHER STATE SHALL HAVE PRIORITY IN A LIQUIDATION PROCEEDING OVER ALL OTHER CLAIMS EXCEPT THOSE FOR EXPENSES OF ADMINISTRATION, WAGES COVERED BY SECTION 158 AND TAXES.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1978.

Approved May 29, 1978.

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