

CHAPTER 437

(Senate Bill 266)

AN ACT concerning

Maryland Insurance Guaranty Association

FOR the purpose of prohibiting an insurer from asserting a claim of subrogation against an insured of an insolvent insurer.

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code
Section 505(c)
Annotated Code of Maryland
(1972 Replacement Volume and 1978 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 BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows: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

505.

As used in this subtitle:

(c) "Covered claims" means obligations, including unearned premiums, of an insolvent insurer which (1) arise out of the insurance policy contracts of the insolvent insurer issued to residents of this State or which are payable to residents of this State on behalf of insureds of the insolvent insurer, (2) were unpaid by the insolvent insurer, (3) are presented as a claim to the receiver in this State or the Association on or before the last date fixed for the filing of claims in the domiciliary delinquency proceedings, (4) were incurred or existed prior to, on, or within 30 days after the date the receiver was appointed, and (5) arise out of policy contracts of the insolvent insurer issued for the kinds of insurance to which this subtitle applies. "Covered claim" does not include any amount due any reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries or otherwise. NO INSURER SHALL ASSERT A CLAIM OF SUBROGATION AGAINST AN INSURED OF AN INSOLVENT COMPANY BUT MAY ASSERT ANY CLAIM IT MAY HAVE AGAINST THE RECEIVER OF THE INSOLVENT INSURER ~~OR THE ASSOCIATION.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1979.