

AND ASSIGNEES OF LIFE INSURANCE POLICIES, HEALTH INSURANCE POLICIES, ANNUITY CONTRACTS, AND SUPPLEMENTAL CONTRACTS, SUBJECT TO CERTAIN LIMITATIONS, AGAINST FAILURE IN THE PERFORMANCE OF CONTRACTUAL OBLIGATIONS DUE TO THE IMPAIRMENT OR INSOLVENCY OF THE INSURER ISSUING THESE POLICIES OR CONTRACTS, IN ORDER TO PROVIDE THIS PROTECTION.

(1) AN ASSOCIATION OF INSURERS IS CREATED TO ENABLE THE GUARANTY OF PAYMENT OF BENEFITS AND OF CONTINUATION OF COVERAGES,

(2) MEMBERS OF THE ASSOCIATION ARE SUBJECT TO ASSESSMENT TO PROVIDE FUNDS TO CARRY OUT THE PURPOSE OF THIS SUBTITLE, AND

(3) THE ASSOCIATION IS AUTHORIZED TO ASSIST THE COMMISSIONER, IN THE PRESCRIBED MANNER, IN THE DETECTION AND PREVENTION OF INSURER IMPAIRMENTS OR INSOLVENCIES.

522.

(A) THIS SUBTITLE SHALL APPLY TO DIRECT LIFE INSURANCE POLICIES, HEALTH INSURANCE POLICIES, ANNUITY CONTRACTS, AND CONTRACTS SUPPLEMENTAL TO LIFE AND HEALTH INSURANCE POLICIES AND ANNUITY CONTRACTS ISSUED BY PERSONS LICENSED TO TRANSACT INSURANCE IN THIS STATE AT ANY TIME.

(B) THIS SUBTITLE DOES NOT APPLY TO

(1) THAT PORTION OR PART OF A VARIABLE LIFE INSURANCE OR VARIABLE ANNUITY CONTRACT NOT GUARANTEED BY AN INSURER,

(2) THAT PORTION OR PART OF ANY POLICY OR CONTRACT UNDER WHICH THE RISK IS BORNE BY THE POLICYHOLDER,

(3) ANY POLICY OR CONTRACT OR PART OF THEM ASSUMED BY THE IMPAIRED OR INSOLVENT INSURER UNDER A CONTRACT OF REINSURANCE, OTHER THAN REINSURANCE FOR WHICH ASSUMPTION CERTIFICATES HAVE BEEN ISSUED, AND

(4) ANY POLICY OR CONTRACT ISSUED BY FRATERNAL BENEFIT SOCIETIES.

523.

THIS SUBTITLE SHALL BE LIBERALLY CONSTRUED TO EFFECT THE PURPOSE UNDER § 521 WHICH SHALL CONSTITUTE AN AID AND GUIDE TO INTERPRETATION.

524.

(A) AS USED IN THIS SUBTITLE, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "ACCOUNT" MEANS EITHER OF THE THREE ACCOUNTS CREATED UNDER § 525.