

Life and Health Insurance Guaranty Association

FOR the purpose of altering the responsibility of the Life and Health Insurance Guaranty Association for policies held by nonresidents or issued by certain nondomestic insurers; and generally relating to protecting only certain residents.

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code

Section 521 and ~~527(6)~~ 527(1)(a), and (3)(a), and (6)

Annotated Code of Maryland

(1979 Replacement Volume and 1980 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 BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows: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

521.

The purpose of this subtitle is to protect RESIDENTS WHO ARE policyowners, insureds, beneficiaries, annuitants, payees, 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 of the insurer issuing such policies or contracts. 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.

527.

In addition to the powers and duties enumerated in other sections of this subtitle,

(1) If a domestic insurer is an impaired insurer, the Association may, prior to an order of liquidation or rehabilitation and subject to any conditions imposed by the Association other than those which impair the