

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2005.

Approved May 26, 2005.

---

**CHAPTER 568**

**(House Bill 666)**

AN ACT concerning

**Insurance - Delinquency Proceedings Against Insolvent Insurers - Financial Contracts**

FOR the purpose of providing that a person may not be stayed or otherwise prohibited from exercising certain rights under certain circumstances in certain delinquency proceedings against certain insurers; requiring certain net or settlement amounts due to an insurer subject to a certain delinquency proceeding to be transferred to or on the order of the receiver for the insurer; specifying the manner in which a receiver in a certain delinquency proceeding must transfer certain netting agreements and qualified financial contracts; requiring a receiver for an insurer to give notice to parties to certain netting agreements and qualified financial contracts under certain circumstances; prohibiting a receiver for an insurer from avoiding a transfer of certain money or other property under certain circumstances; requiring a receiver to exercise certain powers to disaffirm or repudiate certain netting agreements and qualified financial contracts in a certain manner; providing that the rights of counterparties under certain provisions of law apply to certain netting agreements and qualified financial contracts; providing for the application of this Act; defining certain terms; and generally relating to delinquency proceedings against insolvent insurers.

BY adding to

Article - Insurance

Section 9-229.1

Annotated Code of Maryland

(2003 Replacement Volume and 2004 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article - Insurance**

9-229.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "COMMODITY CONTRACT" MEANS: