

time the policy OR SURETY BOND was issued or when [the insured event occurred,] THE EVENT GIVING RISE TO THE CLAIM OCCURRED; and

(2) [against] AGAINST whom a final order of liquidation, with a finding of insolvency, has been entered by a court of competent jurisdiction in the [insurer's] state of domicile OF THE INSURER.

(e) (1) "Member insurer" means any insurer which:

[(1)] (I) [writes] WRITES any kind of insurance to which this subtitle applies under § 504 OF THIS SUBTITLE including the exchange of reciprocal or interinsurance contracts; and

[(2)] (II) [is] IS licensed to transact insurance in this State.

(2) [The term] "MEMBER INSURER" includes the Maryland Automobile Insurance Fund.

(f) (1) "Net direct written premiums" means direct gross premiums written in this State on insurance policies OR SURETY BONDS to which this subtitle applies, less return premiums thereon and dividends paid or credited to policyholders, OR PRINCIPALS OR OBLIGEEES OF SURETY BONDS on such direct business.

(2) "Net direct written premiums" does not include premiums on contracts between insurers or reinsurers, or premiums received by insurers under the Maryland Property Insurance Availability Act.

(G) (1) "SURETY BOND", "SURETY", AND "SURETYSHIP" MEAN INSURANCE THAT GUARANTEES THE PERFORMANCE OF CONTRACTS, OTHER THAN INSURANCE POLICIES, AND GUARANTEE AND EXECUTE BONDS, UNDERTAKINGS, AND CONTRACTS OF SURETYSHIP.

(2) "SURETY BOND", "SURETY", AND "SURETY SHIP" DO NOT INCLUDE MORTGAGE GUARANTY, FINANCIAL GUARANTY, OR OTHER FORMS OF INSURANCE OFFERING PROTECTION AGAINST INVESTMENT RISKS.

(H) "RESIDENT" MEANS:

(1) AN INDIVIDUAL DOMICILED IN THIS STATE;

(2) IN THE CASE OF A CORPORATION OR OTHER ENTITY THAT IS NOT A NATURAL PERSON, A CORPORATION OR ENTITY WHOSE PRINCIPAL PLACE OF BUSINESS IS IN THIS STATE.

506.

(A) There is [created] a nonprofit unincorporated legal entity to be known as the Maryland Insurance Guaranty Association.