

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

(B) All insurers defined as member insurers in § 505 (e) OF THIS SUBTITLE shall be and remain members of the Association as a condition of their authority to transact insurance in this State.

(C) The Association shall perform its functions under a plan of operation established and approved under § 509 OF THIS SUBTITLE and shall exercise its powers through a board of directors established under § 507 OF THIS SUBTITLE.

(D) For purposes of administration and assessment, the Association shall be divided into [six] FOUR separate accounts: (1) the title insurance account; (2) [the surety insurance account; (3) wet marine and transportation insurance account; (4)] THE motor vehicle insurance account; [(5)] (3) the workmen's compensation account; and [(6)] (4) the account for all other insurance to which this subtitle applies.

508.

(a) The Association shall:

(1) (I) [Be] EXCEPT AS TO SURETY BONDS, BE obligated to the extent of the covered claims existing prior to the determination of insolvency and arising within 30 days after the determination of insolvency, or before the policy expiration date if less than 30 days after the determination, or before the insured replaces the policy or causes its cancellation, if he does so within 30 days of the determination, but such obligation shall include only that amount of each covered [accident] claim which is in excess of [\$50] \$100 AND LESS THAN \$300,000. HOWEVER, THE ASSOCIATION SHALL PAY THE FULL AMOUNT OF ANY COVERED CLAIM ARISING OUT OF A WORKMEN'S COMPENSATION POLICY. In no event shall the Association be obligated to a policyholder or claimant in an amount in excess of the obligation of the insolvent insurer under the policy from which the claim arises.

(II) WITH RESPECT TO SURETY BONDS, BE OBLIGATED TO THE EXTENT OF THE COVERED CLAIMS EXISTING PRIOR TO THE DETERMINATION OF INSOLVENCY, AND ARISING WITHIN 18 MONTHS AFTER THE DETERMINATION OF INSOLVENCY WHETHER OR NOT THE SURETY BONDS ARE ISSUED WITH NO STATED PERIOD OR FOR A STATED PERIOD. SUCH OBLIGATION SHALL INCLUDE ONLY THAT AMOUNT OF EACH COVERED CLAIM PAYABLE TO EACH CLAIMANT WHICH IS IN EXCESS OF \$100 AND LESS THAN \$300,000. IN NO EVENT SHALL THE ASSOCIATION BE LIABLE FOR AN AGGREGATE AMOUNT IN EXCESS OF \$1,000,000 UNDER ANY ONE BOND. IN THE EVENT COVERED CLAIMS ARE IN EXCESS OF \$1,000,000 UNDER ANY ONE BOND, THE ASSOCIATION SHALL MAKE A PRORATED PAYMENT ON ACCOUNT OF EACH COVERED CLAIM IN THE RATIO THAT THE COVERED CLAIM BEARS TO THE TOTAL AMOUNT OF ALL COVERED CLAIMS UNDER THE BOND. IN NO EVENT SHALL THE ASSOCIATION BE OBLIGATED TO ANY CLAIMANTS IN AN AMOUNT IN EXCESS OF THE OBLIGATION OF THE INSOLVENT INSURER UNDER THE SURETY BOND FROM WHICH THE CLAIM ARISES.