

pertains unless the Commissioner, after giving the insurer and its affiliates who would be affected thereby notice and opportunity to be heard, determines that the interests of the policyholders, stockholders or the public will be served by the publication thereof, in which event he may publish all or any part thereof in such manner as he may deem appropriate.

500A.

WHENEVER IT APPEARS TO THE COMMISSIONER THAT ANY PERSON HAS COMMITTED A VIOLATION OF THIS SUBTITLE WHICH SO IMPAIRS THE FINANCIAL CONDITION OF A DOMESTIC INSURER AS TO THREATEN INSOLVENCY OR MAKE THE FURTHER TRANSACTION OF BUSINESS BY IT HAZARDOUS TO ITS POLICYHOLDERS, CREDITORS, SHAREHOLDERS, OR THE PUBLIC, THEN THE COMMISSIONER MAY PROCEED AS PROVIDED IN SUBTITLE 10 OF THIS ARTICLE TO TAKE POSSESSION OF THE PROPERTY OF THAT DOMESTIC INSURER AND TO CONDUCT THE BUSINESS THEREOF.

500B.

(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF AN ORDER FOR LIQUIDATION OR REHABILITATION OF A DOMESTIC INSURER HAS BEEN ENTERED, THE RECEIVER APPOINTED UNDER SUCH ORDER SHALL HAVE A RIGHT TO RECOVER ON BEHALF OF THE INSURER:

(I) FROM ANY PARENT CORPORATION OR HOLDING COMPANY OR PERSON OR AFFILIATE WHO OTHERWISE CONTROLLED THE INSURER, THE AMOUNT OF DISTRIBUTIONS, OTHER THAN DISTRIBUTIONS OF SHARES OF THE SAME CLASS OF STOCK, PAID BY THE INSURER ON ITS CAPITAL STOCK; OR

(II) ANY PAYMENT IN THE FORM OF A BONUS, TERMINATION SETTLEMENT, OR EXTRAORDINARY LUMP SUM SALARY ADJUSTMENT MADE BY THE INSURER OR ITS SUBSIDIARIES TO A DIRECTOR, OFFICER, OR EMPLOYEE.

(2) SUBJECT TO THE LIMITATIONS OF SUBSECTIONS (B), (C), AND (D) OF THIS SECTION, THE RECEIVER MAY NOT RECOVER A DISTRIBUTION OR PAYMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION UNLESS THE DISTRIBUTION OR PAYMENT WAS MADE AT ANY TIME DURING THE 1 YEAR PRECEDING THE PETITION FOR LIQUIDATION, CONSERVATION, OR REHABILITATION.

(B) A DISTRIBUTION IS NOT RECOVERABLE UNDER THIS SECTION IF THE PARENT OR AFFILIATE SHOWS THAT, WHEN PAID:

(1) THE DISTRIBUTION WAS LAWFUL AND REASONABLE; AND

(2) THE INSURER DID NOT KNOW AND COULD NOT REASONABLY HAVE KNOWN THAT SUCH DISTRIBUTION MIGHT ADVERSELY AFFECT THE ABILITY OF THE INSURER TO FULFILL ITS CONTRACTUAL OBLIGATIONS.

(C) (1) ANY PERSON THAT WAS A PARENT CORPORATION OR HOLDING COMPANY OR A PERSON THAT OTHERWISE CONTROLLED THE INSURER OR AFFILIATE AT THE TIME SUCH DISTRIBUTIONS WERE PAID SHALL BE