

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] CORPORATION 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] CORPORATION 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] CORPORATION 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.

DRAFTER'S NOTE: This corrects an obsolete defined term in Article 48A, §§ 505(b) and (c) and 508(a)(1).

The Maryland Insurance Guaranty Association was replaced by the Property and Casualty Insurance Guaranty Corporation in Ch. 161 of the Acts of 1986.

The obsolete defined term was noted by outside counsel.

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(a) All payments of benefits prescribed under § 539 OF THIS SUBTITLE shall be made periodically as the claims therefor arise and within 30 days after satisfactory proof thereof is received by the insurer subject to the following limitations:

(1) The coverages described in § 539 OF THIS SUBTITLE may prescribe a period of not less than 12 months after the date of accident within which the original claim for benefits must be presented to the insurer.

(2) The coverages described in § 539 OF THIS SUBTITLE may provide that in any instance where a lapse occurs in the period of total disability or in the medical treatment of an injured person who has received benefits under such coverage or coverages and such person subsequently claims additional benefits based upon an alleged recurrence of the injury for which the original claim for benefits was made, the insurer may require reasonable medical proof of such alleged recurrence; provided, that in no event shall the aggregate benefits payable to any person exceed the maximum limits prescribed in the policy.

(b) Payments of benefits which are not made in accordance with this section and which are overdue shall bear simple interest at the rate of 1.5 percent per month.