

Corporation and the [Maryland] Life and Health Insurance Guaranty [Association] CORPORATION and to any similar organization in another state. (The Property and Casualty Insurance Guaranty Corporation and the [Maryland] Life and Health INSURANCE Guaranty [Association] CORPORATION and any similar organizations in other states shall hereinafter be referred to collectively as the "associations.")

Subtitle 34. Life and Health Insurance Guaranty [Association]  
CORPORATION Act

520.

This subtitle shall be known and may be cited as the [Maryland] Life and Health Insurance Guaranty [Association] CORPORATION Act.

521.

The purpose of this subtitle is to protect residents who are policyowners, insureds, beneficiaries, annuitants, payees, and assignees of life insurance policies, health insurance policies, annuity contracts, and supplemental contracts, subject to certain limitations, against failure in the performance of contractual obligations due to the impairment of the insurer issuing these policies or contracts. To provide this protection:

(1) [An association] A CORPORATION of insurers is created to enable the guaranty of payment of benefits and of continuation of coverages;

(2) Members of the [Association] CORPORATION are subject to assessment to provide funds to carry out the purpose of this subtitle; and

(3) The [Association] CORPORATION is authorized to assist the Commissioner, in the prescribed manner, in the detection and prevention of insurer impairments.

522.

(1) This subtitle shall apply to direct life insurance policies, health insurance policies, annuity contracts, and contracts supplemental to life and health insurance policies and annuity contracts issued by persons authorized to transact insurance in this State at any time, including nonprofit health service plans.

(2) This subtitle shall not apply to:

(a) Any such policies or contracts, or any part of such policies or contracts, under which the risk is borne by the policyholder;