

496.

(b) For purposes of this subtitle, in determining whether an insurer's assets and surplus as regards policyholders are reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, the following factors, among others, shall be considered:

(1) The size of the insurer as measured by its assets, capital and surplus, reserves, premium writings, insurance in force and other appropriate criteria;

(2) The extent to which the insurer's business is diversified among the several lines of insurance;

(3) The number and size of risks insured in each line of business;

(4) The extent of the geographical dispersion of the insurer's insured risks;

(5) The nature and extent of reinsurance of the insurer's risks;

(6) The quality, diversification, and liquidity of the insurer's investment portfolio;

(7) The recent past and projected future trends in the size of the insurer's surplus as regards policyholders;

(8) The surplus as regards policyholders maintained by other, comparable insurers;

(9) The [financial position of the insurer in the light] QUALITY AND LIQUIDITY of investments in and other transactions with affiliated persons;

(10) THE ADEQUACY OF THE RESERVES OF THE INSURER; AND

(11) THE QUALITY OF THE EARNINGS OF THE INSURER AND THE EXTENT TO WHICH THE REPORTED EARNINGS INCLUDE EXTRAORDINARY ITEMS.

(B-1) THE COMMISSIONER MAY DISCOUNT AN INVESTMENT OR TREAT AN INVESTMENT UNDER SUBSECTION (B)(9) OF THIS SECTION AS A NONADMITTED ASSET FOR PURPOSES OF DETERMINING THE ADEQUACY OF SURPLUS REGARDING POLICYHOLDERS WHENEVER THE INVESTMENT SO WARRANTS.

497.

(a) No insurance company subject to registration under § 495 shall pay any extraordinary dividend or make any extraordinary distribution to its shareholders until: (1) thirty days after the Commissioner has received notice of the declaration thereof and has not within this period disapproved the payment, or (2) the Commissioner has approved the payment within the thirty-day period.