

(E) SUBSIDIARY.

"SUBSIDIARY" MEANS AN AFFILIATE OF A PERSON THAT, DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE INTERMEDIARIES, IS CONTROLLED BY THAT PERSON.

REVISOR'S NOTE: This subsection is new language derived without substantive change from former Art. 48A, § 492(j).

The word "specified", which formerly modified "person", is deleted as surplusage.

Defined terms: "Affiliate" § 7-101

"Control" § 1-101

"Person" § 1-101

REVISOR'S NOTE TO SECTION:

Former Art. 48A, § 492(b), which defined "company" to mean a corporation, partnership, trust, reciprocal, joint-stock company, association, society, or similar organization, is deleted as unnecessary. In this revision, the defined term "person" is used to describe the entities formerly defined as a "company". Since the former law used both "person" and "company", deletion of the definition of "company" avoids any unintended ambiguity caused by defining different terms as the same entities. The Insurance Article Review Committee calls this deletion to the attention of the General Assembly.

7-102. LEGISLATIVE FINDINGS; STATEMENT OF POLICY.

(A) LEGISLATIVE FINDINGS.

THE GENERAL ASSEMBLY FINDS THAT THE PUBLIC INTEREST AND THE INTEREST OF POLICYHOLDERS AND STOCKHOLDERS MAY BE ADVERSELY AFFECTED WHEN:

(1) CONTROL OF AN INSURER IS SOUGHT BY A PERSON THAT WOULD USE THAT CONTROL ADVERSELY TO THE BEST INTEREST OF POLICYHOLDERS OR STOCKHOLDERS;

(2) ACQUISITION OF CONTROL OF AN INSURER WOULD SUBSTANTIALLY LESSEN COMPETITION OR CREATE A MONOPOLY IN THE INSURANCE BUSINESS IN THE STATE;

(3) AN INSURER THAT IS PART OF AN INSURANCE HOLDING COMPANY SYSTEM ENTERS INTO TRANSACTIONS OR RELATIONSHIPS WITH AFFILIATES ON TERMS THAT ARE NOT FAIR AND REASONABLE; OR

(4) AN INSURER PAYS TO STOCKHOLDERS DIVIDENDS THAT JEOPARDIZE THE FINANCIAL CONDITION OF THE INSURER.

(B) STATEMENT OF POLICY.

THE PURPOSES OF THIS TITLE INCLUDE PROMOTING THE PUBLIC INTEREST BY:

(1) REQUIRING DISCLOSURES IN ACQUISITIONS OR MERGERS;