

7-203. DISPOSAL OF ASSETS WHEN CONTROL ENDS.

(A) REQUIRED.

(1) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, WITHIN 3 YEARS AFTER A DOMESTIC INSURER ENDS ITS CONTROL OF A SUBSIDIARY, THE DOMESTIC INSURER SHALL DISPOSE OF ALL INVESTMENTS IN THE SUBSIDIARY THAT WERE MADE UNDER § 7-202 OF THIS SUBTITLE.

(2) THE COMMISSIONER MAY EXTEND THE TIME FOR DISPOSAL OF THE INVESTMENTS.

(B) EXCEPTION.

A DOMESTIC INSURER IS NOT REQUIRED TO DISPOSE OF AN INVESTMENT UNDER SUBSECTION (A) OF THIS SECTION IF, AFTER THE INVESTMENT IS MADE:

(1) THE INVESTMENT MEETS THE REQUIREMENTS FOR INVESTMENT UNDER ANOTHER PROVISION OF THIS ARTICLE; AND

(2) THE DOMESTIC INSURER NOTIFIES THE COMMISSIONER THAT THE INVESTMENT MEETS THE OTHER REQUIREMENTS.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 493(c).

Subsection (a)(2) of this section is revised to state expressly the Commissioner's authority to extend the time for disposing of investments.

Defined terms: "Commissioner" § 1-101

"Control" § 1-101

"Domestic insurer" § 1-101

"Subsidiary" § 7-101

SUBTITLE 3. ACQUISITION OF CONTROL OF DOMESTIC INSURER OR INSURANCE HOLDING COMPANY.

7-301. SCOPE OF SUBTITLE.

(A) IN GENERAL.

EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THIS SUBTITLE APPLIES TO ANY PURCHASE, EXCHANGE, MERGER, OR OTHER TRANSACTION THAT WOULD RESULT IN THE ACQUISITION OF DIRECT OR INDIRECT CONTROL OF A DOMESTIC INSURER OR OF AN INSURANCE HOLDING COMPANY CONTROLLING A DOMESTIC INSURER.

(B) EXEMPTION BY COMMISSIONER.

THIS SUBTITLE DOES NOT APPLY TO AN OFFER FOR OR INVITATION FOR TENDER OF VOTING SECURITIES, OR TO AN AGREEMENT TO EXCHANGE SECURITIES FOR OR OTHERWISE TO ACQUIRE CONTROL OF A DOMESTIC INSURER OR OF AN INSURANCE HOLDING COMPANY CONTROLLING A DOMESTIC INSURER, TO THE