

(1) A DOMESTIC INSURER AND ANOTHER MEMBER OF THE SAME INSURANCE HOLDING COMPANY SYSTEM MAY NOT ENTER INTO A TRANSACTION THAT IS PART OF A PLAN OR SERIES OF LIKE TRANSACTIONS IF THE PURPOSE OF MAKING SEPARATE TRANSACTIONS IS TO AVOID EXCEEDING LIMITATIONS UNDER THIS SECTION AND THE REVIEW OF THE TRANSACTION THAT OTHERWISE WOULD OCCUR.

(2) IF THE COMMISSIONER DETERMINES THAT SEPARATE TRANSACTIONS WERE ENTERED INTO DURING ANY 12-MONTH PERIOD IN VIOLATION OF PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSIONER MAY IMPOSE ANY SANCTION AUTHORIZED BY §§ 7-802, 7-803, 7-805, AND 7-807 OF THIS TITLE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 492(h), 495(l), and 496(c) through (e).

In subsection (d) of this section, the reference to the "notice period under subsection (c) of this section" is substituted for the former reference to "such period" for clarity.

In subsection (e)(1)(ii) and (2)(ii)2 of this section, the reference to an insurer "other than a life insurer" is substituted for the former reference to a "nonlife" insurer for clarity.

In the introductory language of subsection (e)(3) of this section, the reference to a "person that is not its affiliate" is substituted for the former term "nonaffiliate" for clarity and consistency.

Subsection (g) of this section is revised to apply to "material transactions" as defined under former Art. 48A, § 496(c), which is revised as subsection (a) of this section. Since former Art. 48A, § 495 was limited to registration requirements, it appeared that former § 495(l) was inappropriately placed in § 495.

As to subsection (g)(1) of this section, the Insurance Article Review Committee notes, for the consideration of the General Assembly, that former Art. 48A, § 495(l) provided that a "material transaction ... found to be not in conformity with this section shall constitute a violation of this subtitle". However, only persons that violate this title are subject to sanctions. The General Assembly may wish to clarify that it is the person who makes the transaction — not the transaction itself — that is subject to sanctions under this title.

In subsection (g)(2) of this section, the term "sanctions" is substituted for the former term "penalties" for clarity and consistency. Similarly, in subsection (h)(2) of this section, the term "sanction" is substituted for the former reference to "exercis[ing] ... authority under § 500" for clarity and consistency.

In subsection (h)(1) of this section, the reference to limitations "under this section" is substituted for the former reference to "the statutory threshold amount" for clarity.