

A MUTUAL INSURER THAT PROPOSES TO OR WRITES ASSESSABLE POLICIES MUST COMPLY WITH ALL APPLICABLE REQUIREMENTS OF THIS ARTICLE EXCEPT THAT THE FINANCIAL REQUIREMENTS OF THIS SECTION APPLY INSTEAD OF THE REQUIREMENTS OF §§ 4-104, 4-105, AND 4-106 AND TITLE 5, SUBTITLE 10 OF THIS ARTICLE.

(B) APPLICATIONS OR POLICIES REQUIRED.

(1) THE MUTUAL INSURER MUST HAVE APPLICATIONS FOR INSURANCE ON WHICH IT SHALL ISSUE SIMULTANEOUSLY, OR IT MUST HAVE IN FORCE, AT LEAST 20 POLICIES TO AT LEAST 20 MEMBERS FOR THE SAME KIND OF INSURANCE, ON AT LEAST 200 SEPARATE RISKS, EACH WITHIN THE MAXIMUM SINGLE RISK DESCRIBED IN SUBSECTION (C) OF THIS SECTION.

(2) TO TRANSACT WORKERS' COMPENSATION INSURANCE OR EMPLOYER'S LIABILITY INSURANCE, THE APPLICATION SHALL COVER AT LEAST 2,000 EMPLOYEES, WITH EACH EMPLOYEE CONSIDERED A SEPARATE RISK WHEN DETERMINING THE MAXIMUM SINGLE RISK.

(C) MAXIMUM SINGLE RISK.

(1) THE MAXIMUM SINGLE RISK MAY NOT EXCEED THE GREATEST OF:

- (I) 20% OF THE ADMITTED ASSETS;
- (II) 3 TIMES THE AVERAGE RISK; AND
- (III) 1% OF THE INSURANCE IN FORCE.

(2) WHEN DETERMINING THE MAXIMUM SINGLE RISK, ANY AUTHORIZED REINSURANCE THAT TAKES EFFECT SIMULTANEOUSLY WITH THE POLICY SHALL BE DEDUCTED FROM THE MAXIMUM SINGLE RISK.

(D) COLLECTING AND HOLDING PREMIUMS.

(1) ON EACH INSURANCE APPLICATION REQUIRED BY SUBSECTION (B) OF THIS SECTION, THE MUTUAL INSURER MUST HAVE COLLECTED:

- (I) AN ANNUAL CASH PREMIUM; OR
- (II) A FULL PREMIUM FOR THE TERM OF THE POLICY, IF THE POLICY IS FOR LESS THAN 1 YEAR.

(2) THE TOTAL OF THE PREMIUMS SHALL BE HELD IN CASH OR IN INVESTMENTS AUTHORIZED FOR CAPITAL AND RESERVE UNDER TITLE 5, SUBTITLE 6 OF THIS ARTICLE.

(E) ASSETS REQUIRED — ONE KIND OF INSURANCE.

(1) TO QUALIFY FOR AUTHORITY TO ENGAGE IN ONE KIND OF INSURANCE BUSINESS ALLOWED TO BE WRITTEN ON AN ASSESSABLE BASIS UNDER THIS ARTICLE, A MUTUAL INSURER MUST HAVE TOTAL ASSETS THAT:

- (I) EQUAL AT LEAST \$250,000; AND