

In subsection (c)(2) of this section, the former phrase "in his discretion" is deleted as unnecessary in light of the word "may".

Defined terms: "Certificate of authority" § 1-101

"Commissioner" § 1-101

"Insurance" § 1-101

"Insurance business" § 1-101

"Insurer" § 1-101

"Mutual insurer" § 1-101

"Policy" § 1-101

"Stock insurer" § 1-101

3-110. CONTINGENT LIABILITY OF MEMBERS.

(A) PROPORTIONATE LIABILITY FOR DISCHARGE OF LIABILITIES.

(1) EXCEPT AS PROVIDED IN § 3-113 OF THIS SUBTITLE FOR NONASSESSABLE POLICIES, EACH MEMBER OF A DOMESTIC MUTUAL INSURER OTHER THAN A LIFE INSURER IS CONTINGENTLY LIABLE ON A PRO RATA BASIS FOR THE DISCHARGE OF THE LIABILITIES OF THE DOMESTIC MUTUAL INSURER.

(2) THE CONTINGENT LIABILITY PROVIDED FOR BY THIS SUBSECTION SHALL BE EXPRESSLY STATED IN EACH POLICY.

(B) EFFECT OF TERMINATION OF POLICY.

TERMINATION OF THE POLICY OF A MEMBER DOES NOT RELIEVE THE MEMBER OF THE CONTINGENT LIABILITY FOR THE MEMBER'S PROPORTION, IF ANY, OF THE OBLIGATIONS OF THE DOMESTIC MUTUAL INSURER THAT ACCRUED WHILE THE POLICY WAS IN FORCE.

(C) UNREALIZED CONTINGENT LIABILITY NOT AN ASSET.

THE UNREALIZED CONTINGENT LIABILITY OF A MEMBER IS NOT AN ASSET OF THE DOMESTIC MUTUAL INSURER IN DETERMINING ITS FINANCIAL CONDITION.

REVISOR'S NOTE: This section formerly was CA § 6-509.

In subsections (a)(1), (b), and (c) of this section, the term "domestic mutual insurer" is substituted for the former term "insurer" to clarify that this section applies to domestic mutual insurers.

The only other changes are in style.

Defined terms: "Domestic insurer" § 1-101

"Life insurer" § 1-101

"Mutual insurer" § 1-101

"Policy" § 1-101

3-111. LEVY OF CONTINGENT LIABILITY.

(A) WHEN ASSESSMENT LEVIED.