

Defined terms: "Domestic insurer" § 1-101

"Insurance" § 1-101

"Mutual insurer" § 1-101

"Policy" § 1-101

"Premium" § 1-101

3-112. ENFORCEMENT OF CONTINGENT LIABILITY.

(A) ASSESSMENT PRIMA FACIE CORRECT.

THE DETERMINATION BY THE DOMESTIC MUTUAL INSURER OF THE TOTAL ASSESSMENT UNDER § 3-111 OF THIS SUBTITLE AND THE AMOUNT OF EACH MEMBER'S ASSESSMENT IS CONSIDERED PRIMA FACIE CORRECT.

(B) NOTICE TO MEMBERS.

(1) THE DOMESTIC MUTUAL INSURER SHALL MAIL TO EACH MEMBER, AT THE MEMBER'S LAST ADDRESS OF RECORD WITH THE DOMESTIC MUTUAL INSURER, NOTICE OF:

(I) THE AMOUNT OF THE ASSESSMENT TO BE PAID; AND

(II) THE PERIOD WITHIN WHICH THE ASSESSMENT MUST BE PAID.

(2) THE PERIOD WITHIN WHICH THE ASSESSMENT MUST BE PAID MAY NOT BE LESS THAN 20 DAYS AFTER NOTICE.

(C) FAILURE TO PAY ASSESSMENTS.

(1) IF A MEMBER FAILS TO PAY THE ASSESSMENT WITHIN THE PERIOD SPECIFIED IN THE NOTICE, THE DOMESTIC MUTUAL INSURER MAY BRING SUIT TO COLLECT THE ASSESSMENT.

(2) FAILURE OF THE MEMBER TO RECEIVE THE NOTICE MAILED IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION IS NOT A DEFENSE IN AN ACTION TO COLLECT THE ASSESSMENT.

REVISOR'S NOTE: This section is new language derived without substantive change from former CA § 6-511.

In subsection (a) of this section, the reference to a "domestic mutual" insurer is substituted for the former reference to "an insurer" for clarity since the section referred to in the former cross-reference was limited to domestic mutual insurers. Similarly, in subsections (b)(1) and (c)(1) of this section, the term "domestic mutual insurer" is substituted for the former term "insurer" for clarity.

Subsection (b)(2) of this section is revised to state that the period for paying the assessment may not be less than 20 days after notice.

Defined terms: "Domestic insurer" § 1-101

"Mutual insurer" § 1-101