

3-124. BULK REINSURANCE — STOCK INSURERS.

(A) AUTHORIZED.

A DOMESTIC STOCK INSURER MAY REINSURE WITH ANOTHER INSURER ALL OR SUBSTANTIALLY ALL OF ITS INSURANCE IN FORCE OR A MAJOR CLASS OF ITS INSURANCE IN FORCE BY AN AGREEMENT OF BULK REINSURANCE.

(B) APPROVAL BY COMMISSIONER REQUIRED.

(1) AN AGREEMENT OF BULK REINSURANCE IS NOT EFFECTIVE UNLESS IT IS FILED WITH AND APPROVED BY THE COMMISSIONER.

(2) THE COMMISSIONER SHALL APPROVE THE AGREEMENT WITHIN A REASONABLE TIME AFTER IT IS FILED UNLESS THE COMMISSIONER FINDS THAT THE AGREEMENT:

(I) IS INEQUITABLE TO THE STOCKHOLDERS OF THE DOMESTIC STOCK INSURER; OR

(II) WOULD SUBSTANTIALLY REDUCE THE PROTECTION OF OR SERVICE TO THE POLICYHOLDERS OF THE DOMESTIC STOCK INSURER.

(3) IF THE COMMISSIONER DOES NOT APPROVE THE AGREEMENT, THE COMMISSIONER SHALL NOTIFY THE DOMESTIC STOCK INSURER IN WRITING OF THE DISAPPROVAL AND SPECIFY THE REASONS FOR DISAPPROVAL.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 273.

Throughout this section, references to a "domestic stock insurer" are substituted for the former references to a "domestic insurer" and an "insurer" to clarify that this section applies to a domestic stock insurer.

Defined terms: "Commissioner" § 1-101

"Domestic insurer" § 1-101

"Insurance" § 1-101

"Insurer" § 1-101

"Reinsurance" § 1-101

"Stock insurer" § 1-101

3-125. SAME — MUTUAL INSURERS.

(A) AUTHORIZED.

AFTER COMPLIANCE WITH THIS SECTION, A DOMESTIC MUTUAL INSURER MAY REINSURE WITH A STOCK INSURER OR MUTUAL INSURER ALL OR SUBSTANTIALLY ALL OF ITS INSURANCE IN FORCE OR A MAJOR CLASS OF ITS INSURANCE IN FORCE BY AN AGREEMENT OF BULK REINSURANCE.

(B) APPROVAL BY COMMISSIONER REQUIRED.