

(2) TRANSACTIONS THAT OCCUR AFTER ISSUANCE OF A POLICY THAT COVERS ONLY SUBJECTS OF INSURANCE NOT RESIDENT, LOCATED, OR EXPRESSLY TO BE PERFORMED IN THE STATE AT THE TIME OF ISSUANCE, OR THAT COVERS PROPERTY IN THE COURSE OF TRANSPORTATION BY LAND, AIR, OR WATER TO, FROM, OR THROUGH THE STATE, INCLUDING ANY INCIDENTAL PREPARATION AND STORAGE, AND THE COVERAGE WAS LAWFULLY SOLICITED, WRITTEN, AND DELIVERED OUTSIDE THE STATE;

(3) TRANSACTIONS THAT RELATE TO SURPLUS LINES COVERAGES LAWFULLY WRITTEN UNDER TITLE 3, SUBTITLE 3 OF THIS ARTICLE; OR

(4) REINSURANCE TRANSACTIONS, EXCEPT AS TO DOMESTIC REINSURERS.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 42 and 43.

In subsection (a)(1) of this section, the word "subsisting", which formerly modified "certificate of authority", is deleted as surplusage.

As to subsection (b)(1) of this section, the Insurance Article Review Committee notes, for the consideration of the General Assembly, that the reference to the "collection of premiums on existing policies" is substituted for the former exception for the "collection of new premiums". This substitution clarifies that an insurer formerly authorized to engage in insurance business in the State may collect, e.g., renewal premiums without obtaining a certificate of authority.

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

"Commissioner" § 1-101

"Insurance" § 1-101

"Insurance business" § 1-101

"Insurer" § 1-101

"Person" § 1-101

"Policy" § 1-101

"Premium" § 1-101

"Reinsurance" § 1-101

"State" § 1-101

"Surplus lines insurance" § 1-101

#### 4-102. QUALIFICATIONS OF INSURERS.

##### (A) IN GENERAL.

TO ENGAGE IN THE INSURANCE BUSINESS IN THE STATE, AN INSURER MUST:

(1) BE IN COMPLIANCE WITH ITS CHARTER POWERS AND WITH THIS ARTICLE; AND

(2) BE AN INCORPORATED STOCK INSURER, INCORPORATED MUTUAL INSURER, OR RECIPROCAL INSURER.