

In subsection (d)(2) of this section, the former word "hereafter" is deleted as surplusage.

In subsection (d)(3) of this section, the former word "limit" is deleted as unnecessary in light of the word "restrict".

Defined terms: "Foreign insurer" § 1-101

"Insurance business" § 1-101

"Insurance contract" § 1-101

"Insurer" § 1-101

"Mutual insurer" § 1-101

"Person" § 1-101

"Reciprocal insurer" § 1-101

"Reinsurance" § 1-101

"Stock insurer" § 1-101

4-103. CAPITAL AND SURPLUS REQUIREMENTS — IN GENERAL.

(A) BASED ON ALL KINDS OF INSURANCE.

CAPITAL AND SURPLUS REQUIREMENTS FOR AN INSURER SHALL BE BASED ON ALL THE KINDS OF INSURANCE BUSINESS THAT THE INSURER TRANSACTS OR WILL TRANSACT, REGARDLESS OF WHERE THE INSURANCE BUSINESS IS TRANSACTED.

(B) GENERAL REQUIREMENTS.

TO QUALIFY FOR AN INITIAL CERTIFICATE OF AUTHORITY TO ENGAGE IN ONE KIND OR A COMBINATION OF KINDS OF INSURANCE BUSINESS, AN INSURER MUST HAVE AND MAINTAIN THE CAPITAL STOCK AND SURPLUS REQUIREMENTS OF:

- (1) §§ 4-104 AND 4-105 OF THIS SUBTITLE, FOR A STOCK INSURER;
- (2) TITLE 3, SUBTITLE 1 OF THIS ARTICLE, FOR A MUTUAL INSURER;
- (3) TITLE 3, SUBTITLE 2 OF THIS ARTICLE, FOR A RECIPROCAL INSURER;
- (4) TITLE 8, SUBTITLE 4 OF THIS ARTICLE, FOR A FRATERNAL BENEFIT SOCIETY; AND
- (5) TITLE 14, SUBTITLE X OF THIS ARTICLE [SUBTITLE 20 OF 48A], FOR A NONPROFIT HEALTH SERVICE PLAN.

(C) REASONABLENESS OF ASSETS AND SURPLUS AS REGARDS POLICYHOLDERS.

(1) IN ADDITION TO ANY OTHER CAPITAL AND SURPLUS REQUIREMENTS OF THIS ARTICLE, EACH INSURER'S ASSETS AND SURPLUS AS REGARDS POLICYHOLDERS SHALL BE REASONABLE IN RELATION TO THE INSURER'S OUTSTANDING LIABILITIES AND ADEQUATE TO ITS FINANCIAL NEEDS.