

(2) IN DETERMINING WHETHER AN INSURER'S ASSETS AND SURPLUS AS REGARDS POLICYHOLDERS ARE REASONABLE IN RELATION TO THE INSURER'S OUTSTANDING LIABILITIES AND ADEQUATE TO ITS FINANCIAL NEEDS, THE FOLLOWING FACTORS, AMONG OTHERS, SHALL BE CONSIDERED:

(I) THE SIZE OF THE INSURER AS MEASURED BY ITS ASSETS, CAPITAL AND SURPLUS, RESERVES, PREMIUM WRITINGS, INSURANCE IN FORCE, AND OTHER APPROPRIATE CRITERIA;

(II) THE EXTENT TO WHICH THE INSURER'S BUSINESS IS DIVERSIFIED AMONG THE SEVERAL LINES OF INSURANCE;

(III) THE NUMBER AND SIZE OF RISKS INSURED IN EACH LINE OF INSURANCE;

(IV) THE GEOGRAPHICAL DISPERSION OF THE INSURER'S INSURED RISKS;

(V) THE NATURE AND EXTENT OF REINSURANCE OF THE INSURER'S RISKS;

(VI) THE QUALITY, DIVERSIFICATION, AND LIQUIDITY OF THE INSURER'S INVESTMENT PORTFOLIO;

(VII) THE RECENT PAST AND PROJECTED FUTURE TRENDS IN THE SIZE OF THE INSURER'S SURPLUS AS REGARDS POLICYHOLDERS;

(VIII) THE SURPLUS AS REGARDS POLICYHOLDERS MAINTAINED BY COMPARABLE INSURERS; AND

(IX) THE FINANCIAL POSITION OF THE INSURER, AFTER EXCLUDING FROM ASSETS INVESTMENTS IN AND OTHER TRANSACTIONS WITH PERSONS THAT DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE INTERMEDIARIES, CONTROL, ARE CONTROLLED BY, OR ARE UNDER COMMON CONTROL WITH ANOTHER PERSON.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 47(1), (2), and (5).

In subsection (a) of this section, the reference to capital and surplus requirements "for an insurer" is added for clarity.

Also in subsection (a) of this section, the phrase "regardless of where the insurance business is transacted" is substituted for the former phrase "in any and all areas in which it operates, whether or not only a portion of such kinds of business is to be transacted in this State" for clarity. The Insurance Article Review Committee notes this substitution for consideration by the General Assembly.

In the introductory language of subsection (b) of this section, the reference to "capital stock" requirements is added to reflect the minimum capital stock requirements for stock insurers contained in § 4-104 of this subtitle, and referenced in this subsection.