

5-609. UNLAWFULLY ACQUIRED INVESTMENTS.

(A) DISPOSAL REQUIRED.

EACH INSURER SHALL DISPOSE OF ANY INVESTMENTS ACQUIRED IN VIOLATION OF THE LAW IN FORCE ON THE DATE OF ACQUISITION OF THE INVESTMENT.

(B) DEDUCTION OF INELIGIBLE INVESTMENT.

IN ANY DETERMINATION OF THE FINANCIAL CONDITION OF AN INSURER WITH INVESTMENTS ACQUIRED IN VIOLATION OF THE LAW, THE AMOUNT OF THE VALUE OF INVESTMENTS, IF WHOLLY INELIGIBLE, OR THE AMOUNT OF THE VALUE OF THE INVESTMENTS IN EXCESS OF ANY LIMITATION PRESCRIBED BY THIS SUBTITLE, SHALL BE DEDUCTED AS A NONADMITTED ASSET OF THE INSURER.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 107.

Defined term: "Insurer" § 1-101

SUBTITLE 7. ADMINISTRATION OF DEPOSITS.

5-701. DEPOSITS OF ASSETS.

(A) IN GENERAL.

WHEN MADE THROUGH THE COMMISSIONER BY INSURERS OR HEALTH MAINTENANCE ORGANIZATIONS, THE TREASURER SHALL ACCEPT AND HOLD IN TRUST:

(1) DEPOSITS REQUIRED UNDER THIS ARTICLE FOR A CERTIFICATE OF AUTHORITY TO ENGAGE IN THE INSURANCE BUSINESS IN THE STATE;

(2) DEPOSITS REQUIRED UNDER § 19-710(D)(3) OF THE HEALTH - GENERAL ARTICLE FOR A CERTIFICATE OF AUTHORITY TO OPERATE AS A HEALTH MAINTENANCE ORGANIZATION;

(3) DEPOSITS OF DOMESTIC INSURERS, FOREIGN INSURERS, OR ALIEN INSURERS REQUIRED UNDER THE LAWS OF ANOTHER STATE, PROVINCE, OR COUNTRY AS A PREREQUISITE FOR AUTHORITY TO ENGAGE IN THE INSURANCE BUSINESS IN THE OTHER STATE, PROVINCE, OR COUNTRY;

(4) DEPOSITS ALLOWED UNDER § 5-704 OF THIS SUBTITLE; AND

(5) DEPOSITS REQUIRED UNDER § X-XXX [ART. 48A, § 61] OF THIS ARTICLE.

(B) ASSETS ELIGIBLE FOR DEPOSIT.

DEPOSITS MADE UNDER SUBSECTION (A) OF THIS SECTION SHALL BE IN ANY COMBINATION OF:

(1) CASH; OR