

(2) THE TREASURER MAY DESIGNATE AS A DEPOSITORY ANY SOLVENT TRUST COMPANY OR OTHER SOLVENT FINANCIAL INSTITUTION THAT HAS TRUST POWERS AND IS DOMICILED IN THE STATE.

(3) THE TREASURER MAY MAKE AN APPROPRIATE AGREEMENT WITH A DEPOSITORY TO ENSURE THE RECEIPT, SAFEKEEPING, AND RELEASE OF THE CASH OR GOVERNMENT SECURITIES DEPOSITED UNDER THIS SECTION.

(4) A DEPOSIT MADE UNDER THIS SECTION SHALL BE HELD AT THE EXPENSE OF THE INSURER.

(B) RESPONSIBILITY OF STATE.

THE STATE IS RESPONSIBLE FOR THE SAFEKEEPING AND RETURN OF ALL CASH AND GOVERNMENT SECURITIES DEPOSITED UNDER THIS SECTION.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 111.

In subsections (a)(1) and (3) and (b) of this section, the references to "government securities" are substituted for the former references to "securities" for clarity and consistency throughout this subtitle.

In subsection (a)(1) and (3) of this section, the references to "cash" are added to clarify that, under this section, the Treasurer may require an insurer to deposit cash as well as government securities with a depository designated by the Treasurer.

In subsection (a)(1) of this section, the phrase "of the kinds described in § 5-701(a) of this subtitle" is added for clarity.

In subsection (a)(3) of this section, the reference to cash and government securities "deposited under this subsection" is added for clarity.

In subsection (b) of this section, the reference to "cash" is substituted for the former reference to "funds" for clarity and consistency throughout this subtitle.

Defined terms: "Commissioner" § 1-101
"Insurer" § 1-101

5-703. PURPOSE OF DEPOSITS.

DEPOSITS MADE UNDER THIS SUBTITLE SHALL BE HELD FOR THE FOLLOWING PURPOSES:

(1) DEPOSITS REQUIRED UNDER THIS ARTICLE FOR A CERTIFICATE OF AUTHORITY TO ENGAGE IN THE INSURANCE BUSINESS IN THE STATE SHALL BE HELD FOR THE PROTECTION OF THE INSURER'S POLICYHOLDERS AND CREDITORS;