

In subsection (a)(3) of this section, the former reference to a "proper" order of a court is deleted as implicit in the reference to an "order of a court of competent jurisdiction".

In subsection (b) of this section, the introductory clause, "[e]xcept for a release made under subsection (a)(3) of this section", is added to reflect that a release made under court order does not also require the Commissioner's order.

Also in subsection (b) of this section, the reference to deposited "cash or government securities" is substituted for the former reference to deposited "funds or assets" for clarity and consistency throughout this subtitle.

Defined terms: "Commissioner" § 1-101

"Insurer" § 1-101

"Reinsurance" § 1-101

5-709. TRANSFER OR RELEASE OF DEPOSITS IN MERGER OR CONSOLIDATION.

(A) IN GENERAL.

ON COMPLETION OF A MERGER OR CONSOLIDATION, AN INSURER THAT MERGES OR CONSOLIDATES WITH ANOTHER INSURER MAY:

(1) TRANSFER TO THE SUCCESSOR INSURER ANY DEPOSIT MADE BY THE MERGED OR CONSOLIDATED INSURER UNDER THIS SUBTITLE; OR

(2) HAVE RELEASED TO THE SUCCESSOR INSURER ALL OR PART OF A DEPOSIT MADE BY THE MERGED OR CONSOLIDATED INSURER UNDER THIS SUBTITLE THAT IS NO LONGER REQUIRED OF THE SUCCESSOR INSURER UNDER THIS ARTICLE.

(B) REQUIREMENTS.

A TRANSFER OR RELEASE OF A DEPOSIT UNDER THIS SECTION MAY BE MADE ONLY:

(1) WITH THE APPROVAL OF THE COMMISSIONER; AND

(2) ON AFFIDAVIT OF THE OFFICERS OF THE MERGED OR CONSOLIDATED INSURER AND THE SUCCESSOR INSURER THAT THE LIABILITIES OF THE MERGED OR CONSOLIDATED INSURER HAVE BEEN EXTINGUISHED, CANCELED, OR REINSURED.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 117.

In the introductory language of subsection (a) of this section, the reference to an insurer "that merges or consolidates" is substituted for the former reference to an insurer "which has heretofore merged or consolidated or which may hereafter do so", for brevity.