

Also in the introductory language of subsection (a) of this section, the phrase "with another insurer" is added for clarity.

In subsection (a)(1) and (2) of this section, the references to deposits made "under this subtitle" are added for clarity.

In subsection (a)(1) of this section, the reference to the "successor" insurer is substituted for the former reference to the "consolidated or continuing" insurer for clarity and to conform to language used in the Corporations and Associations Article. Correspondingly, in subsection (a)(2) of this section, the reference to a deposit no longer required of a "successor" insurer is substituted for the former reference to a deposit no longer required of a "consolidated or continuing" insurer, and in subsection (b)(2) of this section, the reference to the "successor" insurer is substituted for the former reference to the "continuing" insurer.

Also in subsection (a)(1) of this section, the reference to "any deposit" is substituted for the former reference to "the residuary interest in the deposits" for clarity and brevity.

In subsection (a)(2) of this section, the phrase "to the successor insurer" is added for clarity.

In the introductory language of subsection (b) of this section, the reference to the transfer or release of "a deposit under this section" is substituted for the former reference to the transfer or release of "the residuary interest" for clarity.

The Insurance Article Review Committee notes, for the consideration of the General Assembly, that several provisions of this section appear to be inconsistent with § 3-122 of this article, which governs consolidations, mergers, and share exchanges of stock insurers, and § 3-123 of this article, which governs consolidations and mergers of mutual insurers.

Section 3-122(a) of this article provides that mergers and consolidations of stock insurers are governed by CA § 3-114(d)(1), which provides that the assets of each corporation party to articles of merger or consolidation "transfer to, vest in, and devolve on the successor without further act or deed". Similarly, under § 3-123(f)(2) of this article all rights and properties of the parties to an agreement of consolidation or merger become the rights and property of the successor mutual insurer. Thus, while articles of merger or consolidation for both stock and mutual insurers must be approved by the Commissioner under §§ 3-122 and 3-123 of this article, once approved and filed, assets pass to the successor insurer under these sections simply by virtue of the merger or consolidation.

Under this section, however, a transfer or release of a deposit may not take place without the approval of the Commissioner and an affidavit that the liabilities of the merged or consolidated insurer have been "extinguished, canceled, or reinsured". This seems to add to the requirements for a transfer of assets in a merger or consolidation contained in §§ 3-122 and 3-123 of this