

THE DEPOSIT OF TRUSTEED ASSETS SHALL BE HELD FOR THE BENEFIT, SECURITY, AND PROTECTION OF THE POLICYHOLDERS AND CREDITORS OF THE ALIEN INSURER IN THE UNITED STATES.

(C) AMOUNT.

THE DEPOSIT OF TRUSTEED ASSETS, TOGETHER WITH OTHER TRUST DEPOSITS OF THE ALIEN INSURER HELD IN THE UNITED STATES FOR THE SAME PURPOSE, MAY NOT BE LESS THAN THE DEPOSITS REQUIRED OF AN ALIEN INSURER UNDER § 4-106(C) OF THIS ARTICLE.

(D) CHARACTER.

THE DEPOSIT OF TRUSTEED ASSETS SHALL CONSIST OF CASH, SECURITIES OF THE SAME CHARACTER AND DIVERSIFICATION AS THOSE ELIGIBLE FOR INVESTMENT OF THE FUNDS OF DOMESTIC INSURERS UNDER SUBTITLE 5 OR 6 OF THIS TITLE, OR BOTH CASH AND SECURITIES.

(E) DURATION.

THE DEPOSIT OF TRUSTEED ASSETS SHALL BE MAINTAINED AS LONG AS ANY LIABILITY OF THE ALIEN INSURER ARISING OUT OF THE TRANSACTION OF ITS INSURANCE BUSINESS IN THE UNITED STATES IS OUTSTANDING.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 121 and 120(1) and (2).

The Insurance Article Review Committee notes, for consideration by the General Assembly, that the reference in subsection (a) of this section to a "bank or trust company" may be too narrow. In practice, the Insurance Administration approves deposits in any financial institution with a trust department or other similar investment capacity.

In subsections (b), (c), and (e) of this section, the references to an "alien" insurer are added to clarify that this subtitle relates to trustee assets of alien insurers.

In subsection (b) of this section, the extraneous reference to the "policyholders" of the alien insurer is deleted to conform to language used in Subtitle 7 of this title.

In subsection (e) of this section, the reference to liability arising out of "the transaction of its insurance business" is substituted for the former reference to liability arising out of "its insurance transactions" to use the defined term "insurance business".

Defined terms: "Alien insurer" § 1-101

"Commissioner" § 1-101

"Domestic insurer" § 1-101

"Insurance business" § 1-101

"Trustee assets" § 5-801