

5-804. TRUST AGREEMENT.

(A) REQUIRED.

(1) A DEPOSIT OF TRUSTEED ASSETS SHALL BE MADE UNDER A WRITTEN TRUST AGREEMENT BETWEEN THE ALIEN INSURER AND THE TRUSTEE IN ACCORDANCE WITH THIS SUBTITLE.

(2) THE DEPOSIT OF TRUSTEED ASSETS SHALL BE AUTHENTICATED IN THE MANNER APPROVED BY THE COMMISSIONER.

(B) AUTHORITY TO EXECUTE.

WHETHER OR NOT THEN AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN MARYLAND, AN ALIEN INSURER THAT USES OR PROPOSES TO USE MARYLAND AS A STATE OF ENTRY TO TRANSACT INSURANCE BUSINESS IN THE UNITED STATES MAY MAKE AND EXECUTE THE TRUST AGREEMENT REQUIRED BY THIS SUBTITLE.

(C) APPROVAL BY COMMISSIONER.

(1) THE TRUST AGREEMENT IS NOT EFFECTIVE UNTIL FILED WITH AND APPROVED IN WRITING BY THE COMMISSIONER.

(2) THE COMMISSIONER MAY NOT APPROVE A TRUST AGREEMENT IF THE COMMISSIONER FINDS THAT THE TRUST AGREEMENT:

(I) DOES NOT COMPLY WITH LAW; OR

(II) HAS TERMS THAT DO NOT PROVIDE REASONABLY ADEQUATE PROTECTION FOR THE ALIEN INSURER'S POLICYHOLDERS AND CREDITORS IN THE UNITED STATES.

(D) AMENDMENT AUTHORIZED.

(1) A TRUST AGREEMENT MAY BE AMENDED.

(2) THE AMENDMENT IS NOT EFFECTIVE UNTIL FILED WITH AND APPROVED IN WRITING BY THE COMMISSIONER AS COMPLYING WITH THIS SUBTITLE.

(E) WITHDRAWAL OF APPROVAL.

(1) THE COMMISSIONER MAY WITHDRAW APPROVAL OF A TRUST AGREEMENT OR AMENDMENT TO A TRUST AGREEMENT IF THE COMMISSIONER FINDS, AFTER A HEARING, THAT THE REQUIREMENTS UNDER THIS SUBTITLE FOR APPROVAL OF THE TRUST AGREEMENT OR AMENDMENT ARE NO LONGER MET.

(2) THE COMMISSIONER SHALL GIVE NOTICE OF THE HEARING REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE ALIEN INSURER AND THE TRUSTEE OF THE TRUST AGREEMENT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 122, 123, 124, and 125.