

(B) ALIEN INSURERS.

AS TO ALIEN INSURERS, THIS SUBTITLE APPLIES ONLY TO RISKS AND SURPLUS TO POLICYHOLDERS OF AN ALIEN INSURER'S UNITED STATES BRANCH.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 72(4) and (6).

In subsection (a)(8) of this section, the reference to a loss that cannot be ascertained when "the coverage is provided" is added for clarity.

Defined terms: "Alien insurer" § 1-101

"Annuity" § 1-101

"Health insurance" § 1-101

"Insurer" § 1-101

"Life insurance" § 1-101

"Policy" § 1-101

"Surplus to policyholders" § 5-1001

"Title insurance" § 1-101

"Wet marine and transportation insurance" § 1-101

5-1003. LIMITATION OF RISK — IN GENERAL.

(A) AMOUNT OF LIMITATION.

(1) SUBJECT TO § 5-1004 OF THIS SUBTITLE, AN INSURER MAY NOT RETAIN A RISK ON ANY ONE SUBJECT OF INSURANCE, WHETHER LOCATED OR TO BE PERFORMED IN THE STATE OR OUTSIDE OF THE STATE, IN AN AMOUNT EXCEEDING 10% OF THE INSURER'S SURPLUS TO POLICYHOLDERS.

(2) AN INSURER'S SURPLUS TO POLICYHOLDERS SHALL BE DETERMINED AT THE TIME A RISK IS ASSUMED FROM THE MORE RECENT OF:

(I) THE LAST SWORN STATEMENT OF THE INSURER ON FILE WITH THE COMMISSIONER; OR

(II) THE LAST EXAMINATION REPORT OF THE INSURER.

(B) DEDUCTION OF REINSURANCE.

IN DETERMINING THE AMOUNT OF RISK RETAINED BY AN INSURER, A DEDUCTION SHALL BE MADE FOR REINSURANCE CEDED BY THE INSURER FOR WHICH CREDIT IS ALLOWED UNDER § 5-904 OF THIS TITLE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 72(1), (3), and, except as it defined "surplus to policyholders", (5).

In subsection (a)(1) of this section, the introductory language, "[s]ubject to § 5-1004 of this subtitle", is added to reflect that certain special provisions exist for surety insurers and surety risks.