

(2) TO THE EXTENT THAT PROPERTY OF AN INSURER IS SPECIFICALLY ENCUMBERED, THE AMOUNT OF THE PROPERTY OR ITS PROCEEDS THAT EXCEEDS THE AMOUNT NECESSARY TO DISCHARGE THE ENCUMBRANCE; AND

(3) ASSETS HELD IN TRUST AND ASSETS HELD ON DEPOSIT FOR THE SECURITY OR BENEFIT OF ALL POLICYHOLDERS AND CREDITORS IN THE UNITED STATES.

REVISOR'S NOTE: This subsection is new language derived without substantive change from former Art. 48A, § 132(9).

In item (1) of this subsection, the former reference to property "real, personal, or otherwise" is deleted as unnecessary in light of the general reference to "property".

In item (3) of this subsection, the former reference to "all policyholders" is deleted as unnecessary in light of the reference to "all policyholders and creditors".

As to the effect of this subsection as part of the Uniform Insurers Liquidation Act, see § 9-202 of this subtitle.

Defined term: "Person" § 1-101

(H) IMPAIRED INSURER.

"IMPAIRED INSURER" MEANS:

(1) A STOCK INSURER WHOSE ASSETS, TOGETHER WITH TOTAL ISSUED AND OUTSTANDING CAPITAL STOCK AND MINIMUM SURPLUS, DO NOT EQUAL OR EXCEED ALL LIABILITIES AND REQUIRED RESERVES;

(2) A MUTUAL INSURER, RECIPROCAL INSURER, OR NONPROFIT HEALTH SERVICE PLAN WHOSE ASSETS, TOGETHER WITH THE MINIMUM SURPLUS REQUIRED UNDER THIS ARTICLE FOR AUTHORITY TO ENGAGE IN INSURANCE BUSINESS AS A MUTUAL INSURER, RECIPROCAL INSURER, OR NONPROFIT HEALTH SERVICE PLAN, DO NOT EQUAL OR EXCEED ALL LIABILITIES AND REQUIRED RESERVES; OR

(3) AS DETERMINED BY THE COMMISSIONER, AN INSURER THAT DOES NOT HAVE THE FINANCIAL ABILITY TO PAY AN OBLIGATION WITHIN 30 DAYS AFTER IT BECOMES DUE.

REVISOR'S NOTE: This subsection is new language derived without substantive change from former Art. 48A, § 132(1).

The general reference to "impaired insurer" is substituted for the former references to "impairment", "impaired", "insolvency", or "insolvent" for brevity and for consistency in the use of a single defined term to represent the financial condition of an insurer subject to a delinquency proceeding under this subtitle.