

9-223. LIMITATIONS PENDING REPAYMENT TO GUARANTY ASSOCIATIONS.

UNLESS AN INSURER HAS REPAID TO ALL GUARANTY ASSOCIATIONS ALL PAYMENTS OF OR ON ACCOUNT OF THE CONTRACTUAL OBLIGATIONS OF THE INSURER, INCLUDING ALL EXPENSES OF AND INTEREST ON THE OBLIGATIONS, OR UNLESS A GUARANTY ASSOCIATION HAS APPROVED A PLAN OF REPAYMENT BY THE INSURER, AN INSURER SUBJECT TO A DELINQUENCY PROCEEDING MAY NOT:

- (1) BE RELEASED FROM THE DELINQUENCY PROCEEDING UNLESS IT IS CONVERTED INTO A JUDICIAL PROCEEDING TO REHABILITATE OR LIQUIDATE;
- (2) BE ALLOWED TO SOLICIT OR ACCEPT NEW BUSINESS;
- (3) BE ALLOWED TO REQUEST OR ACCEPT THE RESTORATION OF A SUSPENDED OR REVOKED LICENSE OR CERTIFICATE OF AUTHORITY; OR
- (4) BE RETURNED, OR HAVE ANY OF ITS ASSETS RETURNED, TO THE CONTROL OF ITS STOCKHOLDERS OR PRIVATE MANAGEMENT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 135B.

Defined terms: "Certificate of authority" § 1-101
 "Delinquency proceeding" § 9-201
 "Insurer" § 1-101

9-224. DISBURSEMENTS OF ASSETS TO GUARANTY ASSOCIATIONS.

(A) "ASSOCIATION" DEFINED.

IN THIS SECTION, "ASSOCIATION" MEANS:

- (1) THE PROPERTY AND CASUALTY INSURANCE GUARANTY CORPORATION;
- (2) THE LIFE AND HEALTH INSURANCE GUARANTY CORPORATION; OR
- (3) A SIMILAR ORGANIZATION IN ANOTHER STATE.

(B) PROPOSAL FOR DISBURSEMENT — IN GENERAL.

WITHIN 120 DAYS AFTER A COURT OF THE STATE MAKES A FINAL DETERMINATION THAT AN INSURER IS AN IMPAIRED INSURER, THE COMMISSIONER AS RECEIVER SHALL APPLY TO THE COURT FOR APPROVAL OF A PROPOSAL TO DISPERSE TO THE ASSOCIATION ENTITLED TO DISBURSEMENTS UNSECURED ASSETS OUT OF THE MARSHALLED ASSETS OF THE IMPAIRED INSURER AS THOSE ASSETS BECOME AVAILABLE.

(C) SAME — REQUIRED PROVISIONS.

THE PROPOSAL FOR DISBURSEMENT AT A MINIMUM SHALL PROVIDE FOR:

- (1) ADEQUATE CASH RESERVES FOR PAYMENT OF EXPENSES OF ADMINISTRATION AND PRIORITY CLAIMS;