

9-302. PURPOSES OF SUBTITLE.

THE PURPOSES OF THIS SUBTITLE ARE:

(1) TO PROVIDE A MECHANISM FOR THE PROMPT PAYMENT OF COVERED CLAIMS UNDER CERTAIN POLICIES AND TO AVOID FINANCIAL LOSS TO RESIDENTS OF THE STATE WHO ARE CLAIMANTS OR POLICYHOLDERS OF AN INSOLVENT INSURER; AND

(2) TO PROVIDE FOR THE ASSESSMENT OF THE COST OF PAYMENTS OF COVERED CLAIMS AND PROTECTION AMONG INSURERS.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 504(a)(1).

In item (1) of this section, the former reference to an insolvent insurer "including surety" is deleted as unnecessary in light of the definition of "insolvent insurer" in § 9-301 of this subtitle.

Defined terms: "Covered claim" § 9-301

"Insolvent insurer" § 9-301

"Insurer" § 1-101

"Policy" § 1-101

"Resident" § 9-301

9-303. SCOPE OF SUBTITLE.

THIS SUBTITLE APPLIES TO ALL KINDS OF DIRECT INSURANCE, EXCEPT:

- (1) LIFE INSURANCE;
- (2) HEALTH INSURANCE;
- (3) MORTGAGE GUARANTY INSURANCE;
- (4) ANNUITIES;
- (5) INSURANCE WRITTEN ON A SURPLUS LINES BASIS UNDER TITLE 3, SUBTITLE 3 OF THIS ARTICLE;
- (6) INSURANCE WRITTEN BY A RISK RETENTION GROUP; AND
- (7) INSURANCE WRITTEN BY AN UNAUTHORIZED INSURER.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 504(b).

Former Art. 48A, § 504(a)(2), which provided that this subtitle applies to an insurer insolvency existing as of January 1, 1985, is transferred to the Session Laws because of its limited and diminishing applicability.

Defined terms: "Annuity" § 1-101

"Health insurance" § 1-101