

(2) THE CORPORATION SHALL ASSESS EACH MEMBER INSURER IN THE PROPORTION THAT THE NET DIRECT WRITTEN PREMIUMS OF THE MEMBER INSURER FOR THE PRECEDING CALENDAR YEAR ON THE KINDS OF INSURANCE COVERED BY THE ACCOUNT BEARS TO THE NET DIRECT WRITTEN PREMIUMS OF ALL MEMBER INSURERS FOR THE PRECEDING CALENDAR YEAR ON THE KINDS OF INSURANCE COVERED BY THE ACCOUNT.

(3) THE CORPORATION SHALL GIVE EACH MEMBER INSURER AT LEAST 30 DAYS' NOTICE OF AN ASSESSMENT BEFORE IT IS DUE.

(4) THE CORPORATION MAY NOT ASSESS A MEMBER INSURER IN ANY YEAR ON AN ACCOUNT IN AN AMOUNT GREATER THAN 2% OF THAT MEMBER INSURER'S NET DIRECT WRITTEN PREMIUMS FOR THE PRECEDING CALENDAR YEAR ON THE KINDS OF INSURANCE COVERED BY THE ACCOUNT.

(5) IN ANY 1 YEAR, IF THE SUM OF THE MAXIMUM ASSESSMENT FOR AN ACCOUNT AND THE OTHER ASSETS OF THE CORPORATION IN THE ACCOUNT DOES NOT PROVIDE AN AMOUNT SUFFICIENT TO MAKE ALL NECESSARY PAYMENTS FROM THAT ACCOUNT, THE FUNDS AVAILABLE SHALL BE PRORATED AND THE UNPAID PART SHALL BE PAID AS SOON AS FUNDS ARE AVAILABLE.

(6) THE CORPORATION MAY EXEMPT OR DEFER, WHOLLY OR PARTLY, THE ASSESSMENT OF A MEMBER INSURER IF THE ASSESSMENT WOULD CAUSE THE MEMBER INSURER'S FINANCIAL STATEMENT TO REFLECT AMOUNTS OF CAPITAL OR SURPLUS LESS THAN THE MINIMUM AMOUNTS REQUIRED FOR A CERTIFICATE OF AUTHORITY BY ANY JURISDICTION IN WHICH THE MEMBER INSURER IS AUTHORIZED TO TRANSACT INSURANCE BUSINESS.

(7) A MEMBER INSURER MAY SET OFF AGAINST AN ASSESSMENT THE AUTHORIZED PAYMENTS MADE ON COVERED CLAIMS AND EXPENSES INCURRED IN PAYING THOSE COVERED CLAIMS IF THEY ARE CHARGEABLE TO THE ACCOUNT FOR WHICH THE ASSESSMENT IS MADE.

(E) OTHER DUTIES OF CORPORATION.

(1) THE CORPORATION:

(I) SHALL INVESTIGATE CLAIMS BROUGHT AGAINST THE CORPORATION AND ADJUST, COMPROMISE, SETTLE, AND PAY COVERED CLAIMS TO THE EXTENT OF THE CORPORATION'S OBLIGATION AND DENY ALL OTHER CLAIMS;

(II) MAY REVIEW SETTLEMENTS, RELEASES, AND JUDGMENTS TO WHICH THE INSOLVENT INSURER OR ITS INSURED'S WERE PARTIES TO DETERMINE THE EXTENT TO WHICH THE SETTLEMENTS, RELEASES, AND JUDGMENTS MAY BE PROPERLY CONTESTED;

(III) SHALL NOTIFY PERSONS AS THE COMMISSIONER DIRECTS UNDER § 9-308(B)(1) OF THIS SUBTITLE;

(IV) SHALL HANDLE CLAIMS THROUGH ITS EMPLOYEES OR THROUGH ONE OR MORE INSURERS OR OTHER PERSONS DESIGNATED AS SERVICING FACILITIES;