

WHEN ELECTING MEMBERS OF THE BOARD OF DIRECTORS OR FILLING VACANCIES ON THE BOARD, CONSIDERATION SHALL BE GIVEN TO, AMONG OTHER THINGS, WHETHER ALL MEMBER INSURERS ARE FAIRLY REPRESENTED.

(D) REIMBURSEMENT FOR EXPENSES.

A MEMBER OF THE BOARD OF DIRECTORS:

(1) MAY BE REIMBURSED BY THE CORPORATION FOR EXPENSES INCURRED IN CARRYING OUT DUTIES AS A MEMBER OF THE BOARD; BUT

(2) MAY NOT OTHERWISE RECEIVE COMPENSATION FROM THE CORPORATION FOR THE MEMBER'S SERVICE.

(E) OVERSIGHT OF FUNDS.

(1) THE BOARD OF DIRECTORS HAS GENERAL OVERSIGHT AUTHORITY OVER FUNDS PROVIDED UNDER THIS SUBTITLE TO THE BOARD OF DIRECTORS OR CORPORATION.

(2) AT ANY TIME OR IN ANY MANNER AS THE BOARD MAY DIRECT, A RECEIVER, LIQUIDATOR, REHABILITATOR, OR CONSERVATOR APPOINTED UNDER THIS SUBTITLE SHALL MAKE A DETAILED ACCOUNTING OF EXPENDITURES TO THE BOARD.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 526(2), (3), (4), (5), and the first, second, and third sentences of (1).

In subsection (d)(1) of this section, the reference to reimbursement "by the Corporation" is substituted for the former reference to reimbursement "from the assets of the Corporation" for brevity and clarity.

In subsection (e)(1) of this section, the former words "by any person" are deleted as surplusage.

The fourth and fifth sentences of former Art. 48A, § 526(1), which related to the selection of the initial members and the organizational meeting of the Board of Directors, are deleted as obsolete.

Defined terms: "Corporation" § 9-401

"Member insurer" § 9-401

9-407. POWERS AND DUTIES OF CORPORATION.

(A) DOMESTIC IMPAIRED INSURER - BEFORE ORDER OF LIQUIDATION OR REHABILITATION.

FOR A DOMESTIC INSURER THAT IS AN IMPAIRED INSURER, BEFORE AN ORDER OF LIQUIDATION OR REHABILITATION AND SUBJECT TO ANY CONDITIONS IMPOSED BY THE CORPORATION THAT DO NOT IMPAIR THE CONTRACTUAL OBLIGATIONS OF THE IMPAIRED INSURER, IF THE IMPAIRED INSURER AND COMMISSIONER APPROVE, THE CORPORATION MAY: