

(5) IF A PERSON LIABLE UNDER PARAGRAPH (3) OF THIS SUBSECTION IS INSOLVENT, ALL OF ITS AFFILIATES THAT CONTROLLED IT WHEN THE DIVIDEND WAS PAID ARE JOINTLY AND SEVERALLY LIABLE FOR ANY RESULTING DEFICIENCY IN THE AMOUNT RECOVERED FROM THE INSOLVENT AFFILIATE.

(H) POLICIES AND CONTRACTS NOT COVERED BY CORPORATION.

(1) AN INSURER OR AGENT MAY NOT DELIVER A POLICY OR CONTRACT THAT AT THE TIME OF DELIVERY EXCEEDS THE LIMITATIONS IMPOSED BY § 9-407(J)(3) OF THIS SUBTITLE, OR THAT IS NOT SUBJECT TO COVERAGE UNDER § 9-403 OF THIS SUBTITLE, UNLESS THE INSURER OR AGENT, BEFORE OR AT THE TIME OF DELIVERY, PROVIDES THE POLICYHOLDER OR CONTRACT HOLDER WITH A SEPARATE WRITTEN NOTICE AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION.

(2) THE NOTICE REQUIRED UNDER THIS SUBSECTION SHALL DISCLOSE CLEARLY AND CONSPICUOUSLY THAT:

(I) THE POLICY OR CONTRACT IS NOT COVERED BY, OR EXCEEDS THE LIMITATIONS OF LIABILITY APPLICABLE TO, THE CORPORATION; AND

(II) THE CORPORATION IS NOT A DEPARTMENT OR UNIT OF THE STATE, AND THE LIABILITIES OR DEBTS OF THE CORPORATION ARE NOT LIABILITIES OR DEBTS OF THE STATE.

(3) THE COMMISSIONER SHALL ADOPT REGULATIONS ESTABLISHING A STANDARD FORM TO BE USED BY AGENTS AND INSURERS TO CONFORM WITH THE PROVISIONS OF THIS SUBSECTION.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 533 and the second sentence of § 524(10)(ii).

In subsection (b)(2)(iii) of this section, the former reference to a court "of competent jurisdiction" is deleted as implicit.

Defined terms: "Agent" § 1-101

"Commissioner" § 1-101

"Contractual obligation" § 9-401

"Control" § 1-101

"Corporation" § 9-401

"Covered policy" § 9-401

"Impaired insurer" § 9-401

"Insurance" § 1-101

"Insurer" § 1-101

"Person" § 1-101

9-415. EXAMINATION AND REGULATION BY COMMISSIONER.

(A) IN GENERAL.

THE CORPORATION IS SUBJECT TO EXAMINATION AND REGULATION BY THE COMMISSIONER.

(B) FINANCIAL REPORT REQUIRED.