

THE ASSOCIATION MAY ADJUST THE ANNUAL ASSESSMENT ALLOCATION PERCENTAGE FOR AN ASSOCIATION MEMBER TO REFLECT ANY SURCHARGE EXCESS OR SHORTFALL FOR THE PREVIOUS APPLICABLE SURCHARGE YEAR.

REVISOR'S NOTE: This section is new language derived without substantive change from the second through fourth sentences of former Art. 48A, § 243M(g).

In subsections (a) and (b) of this section, the references to an Association member's assessment "payment" are substituted for the former references to the "assessment contribution for which the surcharges were collected" to conform to the terminology used in § 20-405(h) of this subtitle.

Defined terms: "Association" § 20-101  
"Association member" § 20-101

20-410. INSUFFICIENCY ASSESSMENT RESERVE FUND.

(A) ESTABLISHED.

THERE IS AN INSUFFICIENCY ASSESSMENT RESERVE FUND.

(B) COMPOSITION.

THE INSUFFICIENCY ASSESSMENT RESERVE FUND SHALL BE MAINTAINED BY THE ASSOCIATION AND SHALL CONSIST OF:

(1) PAYMENTS OF ASSESSMENT SURCHARGES COLLECTED BY THE ASSOCIATION TO COVER ANY ACTUAL OPERATING LOSS THAT THE FUND SUSTAINS;

(2) ANY GROSS EXCESS SURCHARGES RECEIVED BY AN ASSOCIATION MEMBER ON ACCOUNT OF AN ASSESSMENT MADE UNDER THIS SUBTITLE; AND

(3) THE FULL AMOUNT OF THE INCOME FROM ASSESSMENT PAYMENTS AND GROSS EXCESS SURCHARGES IN INVESTMENTS.

(C) MONEY HELD IN TRUST.

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ASSOCIATION SHALL HOLD MONEY OF THE INSUFFICIENCY ASSESSMENT RESERVE FUND IN TRUST IN A SEPARATE INTEREST-BEARING ACCOUNT IN A FINANCIAL INSTITUTION IN THE STATE FOR THE USE OF THE FUND.

(2) THE ASSOCIATION MAY AUTHORIZE THE FINANCIAL INSTITUTION WHERE THE MONEY IS DEPOSITED TO INVEST ALL OR PART OF THE MONEY IN INVESTMENTS ALLOWED FOR CASUALTY INSURERS, AS PROVIDED IN §§ 5-601 THROUGH 5-609 OF THIS ARTICLE.

(D) DEADLINE FOR DEPOSIT OF GROSS EXCESS SURCHARGE.

AN ASSOCIATION MEMBER SHALL DEPOSIT WITH THE ASSOCIATION ANY GROSS EXCESS SURCHARGES RECEIVED BECAUSE OF A FUTURE ASSESSMENT NOT LATER THAN OCTOBER 15 AFTER THE SURCHARGE YEAR IN WHICH THE GROSS EXCESS SURCHARGE WAS RECEIVED.