

DIVIDENDS OR SHARE OF THE SURPLUS TO BE RECEIVED ON THE INSURANCE CONTRACTS IN VIOLATION OF THIS TITLE.

REVISOR'S NOTE: This section is new language derived without substantive change from the first clause of the first sentence of former Art. 48A, § 238.

The phrase "of the kind described in [Art. 48A] § 236", which formerly modified "unauthorized foreign or alien insurer", is deleted as unnecessary in light of § 27-702 of this subtitle, which describes the type of insurers to which this subtitle is intended to apply.

The reference to "insurance" contracts is added for specificity.

Defined terms: "Alien insurer" § 1-101

"Foreign insurer" § 1-101

"Insurer" § 1-101

"Resident" § 27-701

"Unauthorized insurer" § 1-101

27-704. ACTION BY COMMISSIONER.

(A) NOTICE OF VIOLATION.

(1) IF THE COMMISSIONER HAS REASON TO BELIEVE THAT AN UNAUTHORIZED FOREIGN INSURER OR UNAUTHORIZED ALIEN INSURER IS ENGAGING IN UNLAWFUL ADVERTISING IN VIOLATION OF § 27-703 OF THIS SUBTITLE, THE COMMISSIONER SHALL GIVE NOTICE OF THE VIOLATION BY CERTIFIED MAIL TO THE INSURER AND THE INSURANCE SUPERVISORY OFFICIAL OF THE DOMICILIARY STATE OF THE INSURER.

(2) FOR PURPOSES OF THIS SECTION, THE DOMICILIARY STATE OF AN ALIEN INSURER IS DEEMED TO BE THE STATE OF ENTRY OR THE STATE OF THE PRINCIPAL OFFICE OF THE ALIEN INSURER IN THE UNITED STATES.

(B) ACTION AGAINST INSURER.

IF, AFTER 30 DAYS AFTER THE COMMISSIONER GIVES NOTICE UNDER SUBSECTION (A) OF THIS SECTION, THE INSURER CONTINUES TO VIOLATE § 27-703 OF THIS SUBTITLE, THE COMMISSIONER SHALL TAKE ACTION AGAINST THE INSURER UNDER THIS TITLE IF THE COMMISSIONER BELIEVES THAT:

(1) A PROCEEDING BY THE COMMISSIONER WITH RESPECT TO A VIOLATION OF § 27-703 OF THIS SUBTITLE WOULD BE IN THE PUBLIC INTEREST; AND

(2) THE INSURER IS:

(I) ISSUING OR DELIVERING INSURANCE CONTRACTS TO RESIDENTS OF THE STATE;

(II) COLLECTING PREMIUMS ON THE INSURANCE CONTRACTS; OR

(III) DOING ANY OF THE ACTS LISTED IN § 27-705 OF THIS SUBTITLE.