

emergency measure; and generally relating to regulation of mutual insurers and stock insurers.

BY repealing and reenacting, with amendments,

Article 48A – Insurance Code

Section 266(a) and 272(a)

Annotated Code of Maryland

(1994 Replacement Volume and 1996 Supplement)

BY adding to

Article 48A – Insurance Code

Section 493(d)

Annotated Code of Maryland

(1994 Replacement Volume and 1996 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 3-116, 3-123(b), and 7-201

Annotated Code of Maryland

(1995 Volume and 1996 Supplement)

(As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 48A – Insurance Code**

266.

(a) (1) Any director, officer or member of any stock [or mutual] insurer, or any other person, may loan or advance to such insurer any sum or sums of money necessary to enable it to comply with any surplus requirements, or any other requirements of the law, and such moneys, and such interest thereon as may have been agreed upon, not exceeding six percent per annum, shall be payable only out of the surplus remaining after providing for all reserves and other liabilities, and such advance shall not otherwise be a liability or claim against the insurer or any of its assets.

(2) ANY DIRECTOR, OFFICER OR MEMBER OF ANY MUTUAL INSURER, OR ANY OTHER PERSON, MAY LOAN OR ADVANCE TO SUCH INSURER ANY SUM OR SUMS OF MONEY NECESSARY TO ENABLE IT TO COMPLY WITH ANY SURPLUS REQUIREMENTS, OR ANY OTHER REQUIREMENTS OF THE LAW, AND, SUBJECT TO THE APPROVAL OF THE COMMISSIONER, SUCH MONEYS, AND SUCH INTEREST THEREON AS MAY HAVE BEEN AGREED UPON SHALL BE PAYABLE ONLY OUT OF THE INSURER'S REALIZED EARNED SURPLUS IN EXCESS OF ITS MINIMUM REQUIRED SURPLUS, AND SUCH ADVANCE SHALL NOT OTHERWISE BE A LIABILITY OR CLAIM AGAINST THE INSURER OR ANY OF ITS ASSETS.

(3) ~~No commission or promotion expenses shall be paid in connection with the advance of any such money to the insurer, and the amount of such advance~~ THE