

CHAPTER 682

(House Bill 663)

AN ACT concerning

Property and Casualty Insurance Guaranty Corporation – Obligations

FOR the purpose of excluding from the definition of “covered claim” certain claims by certain insureds with a certain net worth; providing that any obligation of the Property and Casualty Insurance Guaranty Corporation to defend an insured ceases on payment of a certain amount; providing that any obligation of the Corporation ceases when a certain amount has been paid by the Corporation and certain other entities in a certain manner on certain claims arising under policies of one insolvent insurer; authorizing the Corporation to allocate certain amounts payable in a certain manner; and generally relating to obligations of the Property and Casualty Insurance Guaranty Corporation.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 9-301(d)

Annotated Code of Maryland

(1995 Volume and 1996 Supplement)

(As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

BY adding to

Article – Insurance

Section 9-310.1

Annotated Code of Maryland

(1995 Volume and 1996 Supplement)

(As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

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

Article – Insurance

9-301.

(d) (1) “Covered claim” means an insolvent insurer’s unpaid obligation, including an unearned premium:

(i) that:

1. A. for insurance other than insurance that covers members of a purchasing group, arises out of a policy of the insolvent insurer issued to a resident or payable to a resident on behalf of an insured of the insolvent insurer; or

B. for insurance that covers members of a purchasing group, arises out of insurance that covers the members of the purchasing group to the extent that