

~~(4) If, after a full hearing, the court finds that a violation has occurred under subsection (a) of this section, the court shall pass an order:~~

- ~~(i) enjoining the society from conducting insurance business;~~
- ~~(ii) liquidating the society; or~~
- ~~(iii) appointing the Commissioner as receiver of the society.~~

~~(d) A society enjoined from conducting insurance business under this section may not conduct insurance business until:~~

- ~~(1) the Commissioner finds that the violation has been corrected;~~
- ~~(2) the costs of the action have been paid by the society, if the court finds that the society was in default;~~
- ~~(3) the court has dissolved the injunction; and~~
- ~~(4) the Commissioner has reinstated the society's certificate of authority.~~

~~(e) If a court orders a society to be liquidated:~~

- ~~(1) the society may not conduct any further insurance business; and~~
- ~~(2) the receiver of the society immediately shall:
  - ~~(i) take possession of the books, papers, money, and other assets of the society; and~~
  - ~~(ii) close the affairs of the society and distribute its funds to those entitled to the funds under the direction of the court.~~~~

~~(f) This section also applies to a society that voluntarily determines to discontinue business.~~

~~(G) AN APPLICATION OR PETITION FOR INJUNCTION AGAINST A DOMESTIC, FOREIGN, OR ALIEN SOCIETY, OR A LODGE OF A DOMESTIC, FOREIGN, OR ALIEN SOCIETY, SHALL NOT BE RECOGNIZED IN ANY COURT OF THE STATE UNLESS MADE BY THE ATTORNEY GENERAL ON REQUEST OF THE COMMISSIONER.~~

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 8-434 of Article - Insurance of the Annotated Code of Maryland be repealed.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 1998.

May 22, 1997

The Honorable Casper R. Taylor, Jr.  
Speaker of the House  
State House  
Annapolis MD 21401