

Defined terms: "Domestic insurer" § 1-101

"Insurance contract" § 1-101

"Reciprocal insurer" § 1-101

"Subscriber" § 3-201

3-216. LIABILITY OF SUBSCRIBERS.

(A) IN GENERAL.

(1) EXCEPT AS TO A NONASSESSABLE POLICY, EACH SUBSCRIBER HAS A CONTINGENT ASSESSMENT LIABILITY, IN THE AMOUNT STATED IN THE POWER OF ATTORNEY OR SUBSCRIBER'S AGREEMENT, FOR PAYMENT OF LOSSES AND EXPENSES INCURRED WHILE THE SUBSCRIBER'S POLICY IS IN FORCE.

(2) THE LIABILITY OF EACH SUBSCRIBER, OTHER THAN AS TO A NONASSESSABLE POLICY, FOR THE OBLIGATIONS OF THE RECIPROCAL INSURER IS INDIVIDUAL, SEVERAL, AND PROPORTIONATE AND IS NOT JOINT.

(B) LIMITATION ON AMOUNT OF LIABILITY.

(1) THE CONTINGENT LIABILITY OF EACH SUBSCRIBER SHALL BE AT THE RATE OF NOT LESS THAN ONE ADDITIONAL ANNUAL PREMIUM OR PREMIUM DEPOSIT STATED IN THE POLICY BUT NOT MORE THAN 10 TIMES THE ANNUAL PREMIUM OR PREMIUM DEPOSIT.

(2) THE MAXIMUM TOTAL CONTINGENT LIABILITY SHALL BE CALCULATED AS SET FORTH IN § 3-217(E) OF THIS SUBTITLE.

(C) STATEMENT IN POLICY.

EACH ASSESSABLE POLICY ISSUED BY A RECIPROCAL INSURER SHALL CONTAIN A STATEMENT OF THE CONTINGENT LIABILITY.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 294 and, as it related to the amount of contingent liability, 285(b)(5).

In subsection (a)(1) of this section, the word "actual", which formerly modified "losses and expenses", is deleted as surplusage.

In subsection (b)(2) of this section, the cross-reference to "§ 3-217(e) of this subtitle" is substituted for the former incorrect cross-reference to [Art. 48A] "§ 295". Former Art. 48A, § 297 - now § 3-217 (e) of this subtitle - covered total contingent liability.

In subsection (c) of this section, the reference to a "reciprocal" insurer is added for specificity.

Defined terms: "Policy" § 1-101

"Premium" § 1-101

"Reciprocal insurer" § 1-101

"Subscriber" § 3-201