

- "Insurance" § 1-101
- "Insurance business" § 1-101
- "Policy" § 1-101
- "Premium" § 1-101
- "Reciprocal insurer" § 1-101
- "State" § 1-101
- "Stock insurer" § 1-101
- "Subscriber" § 3-201

3-219. SAVINGS.

(A) IN GENERAL.

(1) THE ATTORNEY IN FACT OF A RECIPROCAL INSURER:

(I) PERIODICALLY MAY FIX AND DETERMINE SAVINGS TO BE PAID TO EACH SUBSCRIBER OR POLICYHOLDER ON PARTICIPATING POLICIES OR CONTRACTS FROM THE EARNED SURPLUS OF THE RECIPROCAL INSURER; AND

(II) AFTER DOING SO, SHALL ESTABLISH AN ADEQUATE SURPLUS FROM WHICH THE SAVINGS ARE TO BE PAID.

(2) THE ATTORNEY IN FACT MAY NOT FIX OR PAY SAVINGS IF THE PAYMENT OF SAVINGS WILL IMPAIR THE MINIMUM SURPLUS OR OTHER REQUIRED SURPLUS OF THE RECIPROCAL INSURER.

(B) CLASSIFICATIONS OF POLICIES OR CONTRACTS.

(1) IN FIXING OR PAYING SAVINGS, THE ATTORNEY IN FACT MAY MAKE REASONABLE CLASSIFICATIONS OF POLICIES OR CONTRACTS.

(2) POLICIES OR CONTRACTS IN THE SAME CLASSIFICATION SHALL BE TREATED WITHOUT UNFAIR DISCRIMINATION.

(3) IF THE RECIPROCAL INSURER OFFERS AN ALTERNATIVE METHOD OR PLAN FOR SAVINGS CLASSIFICATIONS, THE POLICY OR CONTRACT SHALL CONTAIN AN ENDORSEMENT THAT STATES THE CLASS TO WHICH IT IS ASSIGNED.

(C) NOTICE TO POLICYHOLDER OR SUBSCRIBER.

EACH RECIPROCAL INSURER SHALL ESTABLISH A PROCEDURE FOR NOTIFYING EACH POLICYHOLDER OR SUBSCRIBER ABOUT SAVINGS FIXED AND PAYABLE UNDER THE POLICYHOLDER'S OR SUBSCRIBER'S POLICY OR CONTRACT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 299.

In subsections (a)(1) and (b)(1) of this section, the references to the "attorney in fact" are substituted for the former references to the "attorney for the subscribers" of a "reciprocal insurer" for clarity and to conform to language used throughout this subtitle.