

in former Art. 48A, § 355 and that section cross-referenced the definition of "surplus" in former Art. 48A, § 355A, which is revised as this section.

In subsection (a)(2)(ii)1 of this section, the former phrase "explicit or implied" is deleted as surplusage.

In subsections (a)(3), (b)(2), (c), and (e)(1)(i) of this section, the defined term "earned premium" is substituted for the former defined term "premium" to avoid conflict with the definition of "premium" in § 1-101 of this article.

In subsection (b) of this section, the phrase "[e]xcept as provided in subsection (d) of this section," is added for clarity.

As to the substitution of the references to a corporation "authorized" under this subtitle for the former references to a corporation "licensed" under this subtitle in subsections (b), (d), and (e)(1) and (2) of this section, see the General Revisor's Note to this subtitle.

Defined terms: "Commissioner" § 1-101

"Insurance contract" § 1-101

"Policy" § 1-101

"Premium" § 1-101

"State" § 1-101

14-118. IMPAIRED SURPLUS.

(A) NOTICE OF DEFICIENCY.

IF THE MINIMUM SURPLUS OF A CORPORATION AUTHORIZED UNDER THIS SUBTITLE REQUIRED TO BE MAINTAINED BY § 14-117 OF THIS SUBTITLE BECOMES IMPAIRED, THE COMMISSIONER IMMEDIATELY MAY DETERMINE THE AMOUNT OF DEFICIENCY AND SERVE NOTICE ON THE CORPORATION AND ITS BOARD OF DIRECTORS TO CURE THE DEFICIENCY WITHIN THE TIME PERIOD SPECIFIED BY THE COMMISSIONER, WHICH MAY NOT EXCEED 120 DAYS AFTER SERVICE OF THE NOTICE.

(B) METHODS OF CURING DEFICIENCY.

THE CORPORATION MAY CURE THE DEFICIENCY IN CASH OR IN ASSETS ELIGIBLE FOR THE INVESTMENT OF THE CORPORATION'S FUNDS UNDER § 14-120 OF THIS SUBTITLE.

(C) INSOLVENCY; DELINQUENCY PROCEEDINGS.

EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, IF A CORPORATION THAT HAS BEEN NOTIFIED OF A DEFICIENCY UNDER SUBSECTION (A) OF THIS SECTION DOES NOT CURE THE DEFICIENCY AND FILE PROOF THAT IT HAS DONE SO WITH THE COMMISSIONER WITHIN THE TIME PERIOD SPECIFIED BY THE COMMISSIONER:

- (1) THE CORPORATION MAY BE CONSIDERED INSOLVENT; AND