

[5-204.]

(a) The reserves against loss or damage from accident to or injuries suffered by an employee or other person that must be included in an insurer's annual statement required under this article shall be computed in accordance with this section.

(b) For all liability policies written during the 3 years immediately preceding the date of the annual statement, the reserves shall be 60% of the earned liability premiums of each of the 3 years, less all losses and expense payments made under liability policies written in the corresponding years.

(c) (1) For all workers' compensation claims under policies written more than 3 years before the date of the annual statement, the reserves shall be the present value at 4% interest of the determined and the estimated future payments.

(2) For all workers' compensation claims under policies written in the 3 years immediately preceding the date of the annual statement, the reserves shall be 65% of the earned workers' compensation premiums of each of the 3 years, less all losses and expense payments made in connection with claims under policies written in the corresponding years.

(3) For the first year of the 3-year period, the reserves may not be less than the present value at 4% interest of the determined and the estimated unpaid workers' compensation claims under policies written during that year.

(d) (1) If the Commissioner approves, the reserves for all health care professional liability claims may be discounted, but not to a level less than the present value at 4% interest of the determined or the estimated future payments, or both.

(2) If a health care professional liability insurer reserves its health care professional liability claims at less than the full amount of the determined or the estimated future payment of those claims, or both, the insurer shall file interim statements with the Commissioner under Title 4 of this article.

(3) A medical malpractice insurer that benefits from a discount of reserves under this subsection shall reduce its premiums proportionately to the amount of the discount.

(e) The Commissioner may waive the requirements of this section for combination or multiple peril policies if the policies:

(1) place the predominating exposure to loss on types of insurance other than liability insurance; and

(2) do not include motor vehicle liability or workers' compensation insurance.]

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(c) Reserves under this section [may] SHALL be computed[, ]: