

Approved April 13, 2004.

CHAPTER 49
(House Bill 533)

AN ACT concerning

Insurance - Impaired Insurers

FOR the purpose of altering the definition of an impaired insurer as it applies to stock insurers and mutual insurers, so as to provide that an impaired insurer is one whose assets, less all liabilities and required reserves, do not equal or exceed the minimum surplus requirements under the law for authority to engage in the insurance business as a stock or mutual insurer; and generally relating to impaired insurers.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 9-201(h)

Annotated Code of Maryland

(2003 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Insurance

9-201.

(h) "Impaired insurer" means:

(1) a stock insurer whose assets, [together with total issued and outstanding capital stock and minimum surplus,] LESS ALL LIABILITIES AND REQUIRED RESERVES, do not equal or exceed [all liabilities and required reserves] THE CAPITAL STOCK AND SURPLUS REQUIRED FOR AUTHORITY TO ENGAGE IN INSURANCE BUSINESS AS A STOCK INSURER;

(2) a mutual insurer, reciprocal insurer, DENTAL PLAN ORGANIZATION, or nonprofit health service plan whose assets, [together with] LESS LIABILITIES AND REQUIRED RESERVES, DO NOT EQUAL OR EXCEED the minimum surplus required under this article for authority to engage in insurance business as a mutual insurer, reciprocal insurer, DENTAL PLAN ORGANIZATION, or nonprofit health service [plan, do not equal or exceed all liabilities and required reserves;] PLAN; or

(3) as determined by the Commissioner, an insurer that does not have the financial ability to pay an obligation within 30 days after it becomes due.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2004.