

(2) (I) ON NOTICE TO THE COMMISSION PURSUANT TO § 9-408(C)(2) OF THIS SUBTITLE THAT A LETTER OF CREDIT WILL NOT BE RENEWED, THE COMMISSION SHALL DEMAND THAT, WITHIN 30 DAYS, THE EMPLOYER PROVIDE:

1. OTHER SATISFACTORY PROOF OF THE EMPLOYER'S FINANCIAL ABILITY TO PAY; OR

2. ANOTHER LETTER OF CREDIT IN THE SAME AMOUNT FROM ANOTHER QUALIFYING FINANCIAL INSTITUTION.

(II) IF THE EMPLOYER FAILS TO FURNISH OTHER SATISFACTORY PROOF OF THE FINANCIAL ABILITY TO PAY OR ANOTHER ACCEPTABLE LETTER OF CREDIT WITHIN 30 DAYS AFTER RECEIPT OF A DEMAND UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE COMMISSION SHALL DEMAND PAYMENT FROM THE FINANCIAL INSTITUTION OF, AND THE FINANCIAL INSTITUTION SHALL PAY, THE AMOUNT REPRESENTED BY THE LETTER OF CREDIT.

(III) THE COMMISSION SHALL HOLD AS SECURITY UNDER THIS SECTION THE AMOUNT DEMANDED AND RECEIVED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH UNTIL THE EMPLOYER CAN PROVIDE:

1. SATISFACTORY PROOF OF THE EMPLOYER'S FINANCIAL ABILITY TO PAY; OR

2. ANOTHER ACCEPTABLE LETTER OF CREDIT.

(IV) ON PROVISION OF SATISFACTORY PROOF OF FINANCIAL ABILITY TO PAY OR AN ACCEPTABLE LETTER OF CREDIT, THE COMMISSION SHALL RETURN THE AMOUNT OF THE LETTER OF CREDIT TO THE EMPLOYER OR THE FINANCIAL INSTITUTION, WHICHEVER HAS THE EQUITABLE RIGHT TO THAT AMOUNT AT THE TIME THAT THE PROOF OR LETTER OF CREDIT IS PROVIDED.

(3) Whenever the Commission revokes approval for an employer to self insure under this section, the employer immediately shall secure compensation through an authorized insurer or the Insured Workers' Insurance Fund.

[(3)] (4) If an employer fails to secure compensation as required by paragraph (2) of this subsection, the Commission shall order the employer to secure compensation through the Injured Workers' Insurance Fund.

9-408.

(a) Any agreement of an employer that indemnifies the employer for damage or loss due to the injury of an employee caused by accidental injury, occupational disease, or negligence of the employer or an agent, officer, or servant of the employer is void unless the agreement also covers the liability of the employer to pay compensation under this title.