

Annotated Code of Maryland  
(1986 Replacement Volume and 1990 Supplement)

BY adding to

Article 48A - Insurance Code  
Section 132A, 135A, 135B, and 135C  
Annotated Code of Maryland  
(1986 Replacement Volume and 1990 Supplement)

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

**Article 48A - Insurance Code**

132.

For the purpose of this subtitle:

(1) "Impairment" [or], "insolvency [.]", OR "INSOLVENT" MEANS [The capital of a stock insurer or the surplus of a mutual or reciprocal insurer, shall be deemed to be impaired and the insurer shall be deemed to be insolvent, when such] WHEN AN insurer:

(I) [is] IS not possessed of assets at least equal to all liabilities and required reserves together with:

1. IF A STOCK INSURER, its total issued and outstanding capital stock and minimum surplus; [if a stock insurer,] or [the minimum surplus]

2. [if] IF a mutual or reciprocal insurer, THE MINIMUM SURPLUS required by this article to be maintained for the kind or kinds of insurance business it is then authorized to transact; OR

(II) HAS AN ~~INABILITY~~ A FINANCIAL INABILITY AS DETERMINED BY THE COMMISSIONER TO PAY ITS OBLIGATIONS WHEN ANY OBLIGATION WITHIN 30 DAYS AFTER THE OBLIGATION BECOMES DUE.

(2) "Insurer" means any person, firm, corporation, association or aggregation of persons [doing an insurance business] WHO HAS DONE, PURPORTS TO DO, IS DOING, OR IS LICENSED TO DO AN INSURANCE BUSINESS, and IS subject to the insurance supervisory authority of, or to liquidation, rehabilitation, reorganization or conservation by the Commissioner or the equivalent insurance supervisory official of another state. An insurer shall also include a corporation operating a nonprofit health service plan under Subtitle 20 of this [Code] ARTICLE, AND ANY OTHER PERSON DESCRIBED IN § 132A OF THIS SUBTITLE.

(3) "Delinquency proceedings" means any proceeding commenced against an insurer pursuant to this subtitle for the purpose of liquidating, rehabilitating, reorganizing or conserving such insurer.