

Article - Insurance

[Previous][Next]

§4-106.

(a) Except as provided in subsections (b) and (c) of this section, to qualify for a certificate of authority, an insurer shall deposit and maintain in trust with the Treasurer, for the protection of the insurer's policyholders and creditors, an amount not less than \$100,000 in:

(1) cash; or

(2) government securities eligible for the investment of capital funds of domestic insurers as specified in § 5-701(b) of this article.

(b) For a foreign insurer, instead of all or part of the deposit required by subsection (a) of this section, the Commissioner shall accept the current certificate of the insurance supervisory official of another state showing that a like deposit by the foreign insurer is being maintained:

(1) in public custody or in a depository approved by the official; and

(2) in trust for protection of the policyholders and creditors of the foreign insurer in the United States.

(c) For an alien insurer, instead of all or part of the deposit required by subsection (a) of this section, the Commissioner shall accept evidence satisfactory to the Commissioner that the alien insurer maintains in the United States assets available for discharge of its insurance obligations in the United States:

(1) in public depositories, or in trust institutions in the United States approved by the Commissioner; and

(2) in an amount not less than the outstanding liabilities of the insurer arising out of its insurance business in the United States, plus an amount equal to the deposit required under this section for other insurers requesting authority to engage in like kinds of insurance business.

[Previous][Next]