

Article - Insurance

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§5-806.

(a) Except as otherwise provided in subsections (b) through (e) of this section, the trust agreement shall provide in substance that an alien insurer may not make, and the trustee may not allow, withdrawals of trustee assets without advance written authorization of the Commissioner.

(b) The trust agreement may provide that, on request of an alien insurer or the United States manager of the alien insurer, all or part of the income, earnings, dividends, or interest accumulations of the trustee assets may be paid to that manager.

(c) The trust agreement may provide that trustee assets may be withdrawn and, at the same time, assets of equivalent or greater value to those trustee assets being withdrawn may be substituted if:

(1) the substituted assets are eligible for investment of the funds of domestic insurers under Subtitle 5 or 6 of this title;

(2) the United States manager of the alien insurer requests the withdrawal in writing in accordance with written authority previously given or delegated by the board of directors or other similar governing body of the alien insurer; and

(3) a copy of that authority has been filed with the trustee.

(d) The trust agreement may provide that:

(1) trustee assets may be withdrawn to make a deposit that is required by law in a state in which the alien insurer is or becomes authorized to engage in the insurance business, for the protection of the alien insurer's policyholders and creditors in that state or in the United States, to the extent that the withdrawal does not reduce the alien insurer's deposit in this State to an amount less than the minimum deposit required under § 4-106(c) of this article; and

(2) if a withdrawal is authorized under item (1) of this subsection, the trustee shall transfer directly to the depository required to receive the deposit in the other state the assets withdrawn in the amount required to be deposited in the other state, as certified in writing by the insurance supervisory official of the other state.

(e) The trust agreement may provide that trustee assets may be transferred to a liquidator, conservator, or rehabilitator under an order of a court of competent jurisdiction.

(f) The Commissioner may authorize withdrawal of only those trustee assets

that exceed the amount required by this subtitle.

(g) (1) If the Commissioner determines that an alien insurer is insolvent or that an alien insurer's assets in the United States are less than required under § 4-106(c) of this article, the Commissioner in writing shall order the trustee to suspend the right of the alien insurer or any other person to withdraw the trusted assets of the alien insurer.

(2) The trustee shall comply with the order until further order of the Commissioner.

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