

## Article - Insurance

[Previous][Next]

§5-904.

(a) Except as provided in §§ 3-124 and 3-125 of this article for bulk reinsurance, an insurer may reinsure all or part of a particular risk.

(b) (1) Credit shall be allowed under subsection (c), (d), or (e) of this section with respect to cessions of those kinds or classes of business that the assuming insurer is licensed or otherwise allowed to write or assume in its state of domicile or, in the case of a United States branch of an alien assuming insurer, in the state through which it is entered and licensed to transact insurance or reinsurance.

(2) Credit shall be allowed under subsection (e) or (f) of this section only if the applicable requirements of § 5-913 of this subtitle have been satisfied.

(c) Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is licensed to transact insurance or reinsurance in this State.

(d) Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is accredited by the Commissioner as a reinsurer in this State in accordance with § 5-906 of this subtitle.

(e) Subject to the requirements of § 5-913 of this subtitle, credit shall be allowed when the reinsurance is ceded to an assuming insurer that maintains a trust fund meeting the requirements of § 5-907 of this subtitle in a qualified United States financial institution for the payment of the valid claims of its United States ceding insurers and their assigns and successors in interest.

(f) Credit shall be allowed when the reinsurance is ceded to an assuming insurer that has been certified by the Commissioner as a reinsurer in this State in accordance with §§ 5-908 and 5-909 of this subtitle and secures its obligations in accordance with the requirements of § 5-911 of this subtitle.

(g) Credit shall be allowed when the reinsurance is ceded to an assuming insurer not meeting the requirements of subsection (c), (d), (e), or (f) of this section, but only as to the insurance of risks located in jurisdictions where the reinsurance is required by the applicable law or regulation of that jurisdiction.

[Previous][Next]