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§7–405.

(a) (1) Except as provided in subsection (b) of this section, the Commissioner may enter an order under this section with respect to an acquisition subject to this subtitle if:

(i) there is substantial evidence that the effect of the acquisition may be substantially to lessen competition in any line of insurance in the State or tend to create a monopoly; or

(ii) the insurer fails to file adequate information in compliance with § 7-403 of this subtitle.

(2) The order may:

(i) require an acquiring or acquired insurer, its affiliates, or the person resulting from a merger to cease and desist from doing business in the State with respect to the line of insurance involved in the violation; or

(ii) deny the application of an acquiring or acquired insurer for a certificate of authority.

(b) The Commissioner may not enter an order under this section with respect to an acquisition subject to this subtitle if:

(1) the acquisition will yield substantial economies of scale or economies in resource utilization that cannot be achieved feasibly in any other way, and public benefits from those economies outweigh the public benefits from not lessening competition; or

(2) the acquisition will increase substantially the availability of insurance, and public benefits from that increase outweigh the public benefits from not lessening competition.

(c) (1) In determining whether a proposed acquisition subject to this subtitle would violate subsection (a)(1)(i) of this section, the Commissioner shall consider an acquisition that involves two or more insurers, including insurers under common ownership, management, or control, that compete in the same product and geographical market to be prima facie evidence of violation of subsection (a)(1)(i) of this section if the acquiring and acquired insurers, their affiliates, or the person resulting from a merger:

(i) have a share of the market that exceeds the total of the two columns in the table under item (ii) of this paragraph, if more than two insurers are parties to the acquisition; or

(ii) have the following shares of the market:

Insurer A	Insurer B
5%	4% or more
10%	3% or more
15%	2% or more.

(2) By treating the insurer with the largest share of the market as insurer "A", the Commissioner may interpolate percentages not shown in the table under paragraph (1)(ii) of this subsection proportionately to the percentages that are shown.

(3) In the absence of sufficient information to the contrary:

(i) the relevant product market is the direct written insurance premium for a line of business as the line appears in the annual statement required to be filed by insurers doing business in the State; and

(ii) the relevant geographical market is the State.

(4) In determining the relevant product and geographical markets, the Commissioner shall consider, among other things:

(i) any definitions or guidelines adopted by the National Association of Insurance Commissioners; and

(ii) any information submitted by parties to the acquisition.

(d) (1) Before the Commissioner enters an order under this section, the Commissioner shall:

(i) give the parties notice of a hearing on the proposed order before the end of the waiting period under § 7-404 of this subtitle and at least 15 days before the hearing is scheduled; and

(ii) hold the hearing.

(2) (i) The Commissioner shall enter an order after the conclusion of the hearing and no later than 60 days after the end of the waiting period.

(ii) The order shall be accompanied by a written decision of the Commissioner, findings of fact, and conclusions of law.

(e) (1) An order under this section may not become final earlier than 30 days after it is issued.

(2) Before an order becomes final, an insurer that is subject to the order may submit to the Commissioner a plan to remedy the anticompetitive impact of the

acquisition within a reasonable time.

(3) Based on the plan or other information, the Commissioner may set conditions to be met while the anticompetitive impact is being remedied, and the order vacated or modified.

(f) An order under this section does not apply if the acquisition is not consummated.

(g) A person that violates a cease and desist order issued by the Commissioner under this section, after notice and hearing and on order of the Commissioner, is subject to a penalty not exceeding $10,000 for each day of violation or suspension or revocation of the person's certificate of authority or both.

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