

Article - Insurance

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§9-212.

(a) (1) An order to rehabilitate a domestic insurer, or an alien insurer domiciled in the State, shall:

- (i) appoint the Commissioner as rehabilitator;
- (ii) direct the Commissioner:

1. to take possession of the property of the insurer and conduct the business of the insurer under the general supervision of the court; and

2. to take action as the court directs to remove the causes and conditions that have made rehabilitation necessary;

- (iii) vest title to all property of the insurer in the rehabilitator; and

- (iv) require the rehabilitator to make accountings to the court that:

1. are at intervals as the court specifies in its order, but not less frequently than two times each year; and

2. include the opinion of the rehabilitator about the likelihood of success of the rehabilitation.

- (2) Issuance of an order of rehabilitation:

(i) does not constitute an anticipatory breach of any contract of the insurer; and

(ii) is not grounds for retroactive revocation or retroactive cancellation of a contract of the insurer, unless the rehabilitator revokes or cancels the contract.

(b) (1) Subject to paragraph (2) of this subsection, the Commissioner, or an interested person on due notice to the Commissioner, may apply to the court at any time for an order that:

- (i) terminates a rehabilitation proceeding; and

(ii) allows the insurer to resume possession of its property and the conduct of its business.

(2) An order under this subsection may not be issued unless, after a hearing, the court determines that:

(i) the purposes of the rehabilitation proceeding have been fully accomplished; and

(ii) § 9-223 of this subtitle has been satisfied.

(c) (1) An order to liquidate the business of a domestic insurer shall direct the Commissioner promptly:

(i) to take possession of the property of the insurer;

(ii) to liquidate the business of the insurer;

(iii) to deal with the property and business of the insurer in the name of the Commissioner or in the name of the insurer, as the court directs; and

(iv) to notify all creditors that may have claims against the insurer to present their claims.

(2) The Commissioner may apply for, and the court may issue, an order to dissolve the corporate existence of a domestic insurer:

(i) on application of the Commissioner for an order to liquidate the domestic insurer; or

(ii) at any time after the court has granted the order of liquidation.

(3) An order to liquidate the business of the United States branch of an alien insurer that has trusted assets in the State shall:

(i) be on the same terms as those required for a domestic insurer under paragraph (1) of this subsection; but

(ii) include only the assets of the business of the United States branch of the alien insurer.

(d) An order to conserve the assets of a foreign insurer or alien insurer shall require the Commissioner promptly to take possession of and conserve the property of the insurer in the State, subject to further direction by the court.

(e) An order to liquidate the assets in the State of a foreign insurer shall require the Commissioner promptly to take possession of and liquidate the property of the insurer in the State, subject to further direction by the court and with due regard to the rights and powers of the domiciliary receiver as provided in this subtitle.

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