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§9–225.

(a) Within 3 years after the date of the issuance of an order of rehabilitation or liquidation of a domestic mutual insurer or domestic reciprocal insurer, the Commissioner may file with the court:

(1) a petition for assessment; and

(2) a report that states:

(i) the reasonable value of the assets of the mutual insurer or reciprocal insurer;

(ii) the liabilities of the mutual insurer or reciprocal insurer to the extent determined by the Commissioner at the time of the report;

(iii) as provided in § 3-111 of this article, the aggregate amount of any assessment that the Commissioner considers reasonably necessary to pay in full:

1. all claims;

2. the costs and expenses of the collection of assessments; and

3. the costs and expenses of the delinquency proceeding; and

(iv) any other information about the affairs or the property of the mutual insurer or reciprocal insurer that the Commissioner considers material.

(b) (1) On the filing and reading of the report and petition specified in subsection (a) of this section, the court ex parte may order the Commissioner to assess all members or subscribers of the mutual insurer or reciprocal insurer who may be subject to assessment, in an aggregate amount as the court finds reasonably necessary to pay in full:

(i) all valid claims that are timely filed and proved in the delinquency proceeding;

(ii) the costs and expenses of imposing and collecting the assessments; and

(iii) the costs and expenses of the delinquency proceeding.

(2) The order shall require the Commissioner to assess each member or subscriber for the member's or subscriber's proportion of the aggregate assessment in accordance with a reasonable classification of the members or subscribers and a formula

made by the Commissioner and approved by the court.

(3) The court may order an additional assessment on all members or subscribers who may be subject to assessment on the filing and reading of an amendment or supplement to the report and petition specified in subsection (a) of this section if the amendment or supplement is filed within 3 years after the date of issuance of the order of rehabilitation or liquidation.

(4) After issuance of an order under this subsection, the Commissioner shall assess each member or subscriber in accordance with the order.

(c) (1) The total of all assessments against a member or subscriber with respect to a policy, whether imposed under this subtitle or another provision of this article:

(i) may not be more than as specified in the policy of the member or subscriber; and

(ii) shall be as limited under this article.

(2) An assessment may not be imposed against a member or subscriber with respect to a nonassessable policy that is issued in accordance with this article.

(d) The assessment of a member or subscriber is presumed correct if made by the Commissioner in accordance with a court order that:

(1) fixes the aggregate amount of the assessment against all members or subscribers; and

(2) approves the classification and formula made by the Commissioner under subsection (b) of this section.

(e) (1) The Commissioner shall mail to each member or subscriber at the last address of record with the insurer a notice that:

(i) states the amount of the assessment to be paid by the member or subscriber;

(ii) specifies when the assessment should be paid; and

(iii) requires payment not less than 20 days after the Commissioner mails the notice.

(2) In a proceeding to collect an assessment, it is not a defense that a member or subscriber failed to receive the mailed notice or failed to receive the notice within the time specified in the notice for payment of the assessment.

(3) If a member or subscriber fails to pay the assessment within the period

specified in the notice, the Commissioner may obtain an order in the delinquency proceeding that requires the member or subscriber to show cause at a time and place fixed by the court why judgment for the amount of the assessment and all costs should not be entered against the member or subscriber.

(4) A copy of the order and petition for assessment shall be served on the member or subscriber within the time and in the manner designated in the order.

(5) After service of a copy of the order and petition is made on the member or subscriber:

(i) if the member or subscriber fails to appear at the time and place specified in the order, the court shall enter judgment against the member or subscriber as requested in the petition; or

(ii) if the member or subscriber appears in the manner and form required by law in response to the order, the court shall hear and determine the matter and enter judgment.

(6) The Commissioner may collect the assessment through any other lawful means.

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