

Article - Insurance

[Previous][Next]

§14-118.

(a) If the minimum surplus of a corporation authorized under this subtitle required to be maintained by § 14-117 of this subtitle becomes impaired, the Commissioner immediately may determine the amount of deficiency and serve notice on the corporation and its board of directors to cure the deficiency within the time period specified by the Commissioner, which may not exceed 120 days after service of the notice.

(b) The corporation may cure the deficiency in cash or in assets eligible for the investment of the corporation's funds under § 14-120 of this subtitle.

(c) Except as provided in subsection (d) of this section, if a corporation that has been notified of a deficiency under subsection (a) of this section does not cure the deficiency and file proof that it has done so with the Commissioner within the time period specified by the Commissioner:

(1) the corporation may be considered insolvent; and

(2) the Commissioner may institute delinquency proceedings against the corporation under Title 9, Subtitle 2 of this article.

(d) (1) The corporation may apply for a single extension of not more than 60 days to cure a deficiency.

(2) The Commissioner may grant the extension if:

(i) the corporation shows good cause why the deficiency was not cured in the initial time period specified by the Commissioner; and

(ii) the deficiency exists because the Commissioner required an increased surplus, disallowed certain assets, or reduced the value of certain assets carried in the corporation's accounts.

[Previous][Next]