

## Article - Insurance

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§2-505.

(a) There is an Insurance Regulation Fund that consists of:

(1) all revenue received through the imposition and collection of the assessment fee under this subtitle;

(2) all revenue received through the imposition and collection of the fees set forth in § 2-112 of this title;

(3) all revenue received through the imposition and collection of the fraud prevention fee under Title 6, Subtitle 2 of this article;

(4) all revenue received through the collection of examination expenses under § 2-208 of this title;

(5) except as provided in § 2-114(a) of this title, all other fees received through the imposition and collection of fees set forth in this article; and

(6) income from investments that the State Treasurer makes for the Fund.

(b) The purpose of the Fund is to pay all the costs and expenses incurred by the Administration that are related to its responsibilities to regulate the insurance activities of all insurers that engage in the insurance business in this State.

(c) (1) All the costs and expenses of the Administration shall be included in the State budget.

(2) Any expenditures from the Fund to cover costs and expenses of the Administration may only be made:

(i) with an appropriation from the Fund approved by the General Assembly in the annual State budget; or

(ii) by the budget amendment procedure provided for in § 7-209 of the State Finance and Procurement Article.

(3) (i) 1. Subject to sub-subparagraph 2 of this subparagraph, if, in any fiscal year, the amount of revenue collected by the Commissioner and deposited into the Fund exceeds 105% of the actual appropriations for the Administration, the excess amount shall be carried forward within the Fund.

2. The assessment fee imposed under this subtitle shall be adjusted to maintain the Fund at a level that does not exceed 105% of the Administration's approved annual budget.

(ii) If, in any given fiscal year, the amount of revenue collected by the Commissioner and deposited into the Fund is insufficient to cover the expenditures of the Administration because of an unforeseen emergency and expenditures are made in accordance with the budget amendment procedure provided for in § 7-209 of the State Finance and Procurement Article, an additional assessment for the expenditures may be made.

(d) (1) The State Treasurer is the custodian of the Fund.

(2) The State Treasurer shall deposit payments received from the Commissioner into the Fund.

(e) (1) The Fund is a continuing, nonlapsing fund and is not subject to § 7-302 of the State Finance and Procurement Article, and may not be deemed a part of the General Fund of the State.

(2) No part of the Fund may revert or be credited to:

(i) the General Fund of the State; or

(ii) a special fund of the State, unless otherwise provided by law.

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