

Article - Insurance

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§3-105.

(a) A person proposing to form a mutual insurer may not solicit in the State applications or premiums for policies of the proposed mutual insurer until the person provides the Commissioner with specific information about the methods and proposed cost of the promotion.

(b) (1) Before a person proposing to form a mutual insurer solicits applications or premiums for policies, the person shall have funds acquired in accordance with § 3-116 of this subtitle in the amount of:

(i) \$125,000, if the person will solicit applications or premiums for one kind of insurance business, as set out in § 4-104 of this article; or

(ii) \$250,000, if the person will solicit applications or premiums for two or more kinds of insurance business.

(2) The funds shall be held in cash or in investments authorized for capital and reserve under Title 5, Subtitle 6 of this article.

(c) (1) A person must obtain a license from the Commissioner before the person forms a mutual insurer in the State.

(2) Before issuing a license, the Commissioner shall investigate the record of the applicant.

(3) The Commissioner shall issue a license under this subsection if the Commissioner finds that the applicant is honest and trustworthy.

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