

Article - Insurance

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§3-110.

(a) (1) Except as provided in § 3-113 of this subtitle for nonassessable policies, each member of a domestic mutual insurer other than a life insurer is contingently liable on a pro rata basis for the discharge of the liabilities of the domestic mutual insurer.

(2) The contingent liability provided for by this subsection shall be expressly stated in each policy.

(b) Termination of the policy of a member does not relieve the member of the contingent liability for the member's proportion, if any, of the obligations of the domestic mutual insurer that accrued while the policy was in force.

(c) The unrealized contingent liability of a member is not an asset of the domestic mutual insurer in determining its financial condition.

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