

Article - Insurance

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§3–127.

(a) (1) In this section the following words have the meanings indicated.

(2) “Register” means to register securities with the Division of Securities in the Office of the Attorney General in accordance with §§ 11–502 and 11–504 of the Corporations and Associations Article.

(3) “Sale” has the meaning stated in the Maryland Securities Act.

(4) “Offer to sell” has the meaning stated in the Maryland Securities Act.

(b) (1) The filing requirements of subsections (c) and (d) of this section apply to a person that engages in, proposes to engage in, or assists in the promotion or formation of:

(i) a domestic insurer;

(ii) an insurance holding corporation; or

(iii) a corporation that finances:

1. a domestic insurer or the production of its business; or

2. an insurance holding corporation or the production of its

business.

(2) This section does not apply to a person that is or will be an affiliate of an authorized insurer that is a member of an insurance holding company registered with the Commissioner under § 7–601 of this article.

(c) Within 5 days after a registration is filed with the Division of Securities, a person that is required to register a proposed sale or offer to sell securities under the Maryland Securities Act shall file with the Commissioner a copy of that registration.

(d) At least 30 days before the proposed sale or offer to sell securities, a person that is exempt under § 11–602(9) and (10) of the Corporations and Associations Article from the registration requirements of §§ 11–502 and 11–504 of the Corporations and Associations Article shall file with the Commissioner the information otherwise required by § 11–502 or § 11–504 of the Corporations and Associations Article.

(e) (1) If the Commissioner determines that a person has engaged in or is about to engage in an act or practice that violates this section, the Commissioner, without notice and before a hearing, may issue and cause to be served on the person an order to cease and desist from engaging in the acts for which filing is required

under this section.

(2) (i) Unless postponed by mutual consent of the parties, the Commissioner shall hold a hearing within 30 days after the date of the order.

(ii) The Commissioner shall provide notice of the hearing to each party.

(f) The Commissioner has the enforcement powers listed in §§ 2–201 and 2–203 of this article.

(g) (1) In addition to any penalty otherwise applicable under this article, the Commissioner may impose a civil penalty not exceeding \$500 for each violation of this section.

(2) Each day a violation of this section continues is a separate violation.

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