

Article - Insurance

[Previous][Next]

§3-222.

(a) If the assets of a reciprocal insurer at any time are insufficient to maintain the required surplus and to discharge its liabilities, other than a liability on account of money contributed by the attorney in fact or another person, the attorney in fact of a reciprocal insurer immediately shall:

(1) make up the deficiency; or

(2) subject to the limitations set forth in the power of attorney or subscribers' policies, levy an assessment on the subscribers for the amount needed to cure the deficiency.

(b) A reciprocal insurer is considered insolvent and shall be proceeded against as authorized by this article if:

(1) the attorney in fact fails to cure the deficiency or to make the assessment within 30 days after the Commissioner orders the attorney in fact to do so; or

(2) the deficiency is not cured fully within 60 days after the date the assessment was made.

(c) If liquidation of a reciprocal insurer is ordered, an assessment shall be levied on the subscribers in the amount, subject to the limits provided by this subtitle, that the Commissioner determines to be necessary to discharge all liabilities of the reciprocal insurer, excluding any money contributed by the attorney in fact or another person, but including the reasonable cost of the liquidation.

[Previous][Next]