

Article - Insurance

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§4–202.

(a) The General Assembly finds that:

(1) many residents of the State hold policies issued by insurers and other persons not authorized to do insurance business in the State;

(2) these residents face the often insurmountable obstacle of asserting their legal rights under those policies in forums that are foreign to them and under laws and rules of practice that are unfamiliar to them; and

(3) protection from the acts of insurers and other persons not authorized to do insurance business in the State can be achieved by:

(i) maintaining fair and honest insurance markets;

(ii) protecting the premium tax revenues of the State;

(iii) protecting authorized insurers, which are subject to strict regulation, from unfair competition by unauthorized persons and unauthorized insurers; and

(iv) protecting against evasion of the insurance regulatory laws of the State.

(b) (1) The General Assembly intends to subject certain insurers and other persons to the jurisdiction of the Commissioner, in proceedings before the Commissioner, and to the courts of the State in suits by or for the State and insureds or beneficiaries under insurance contracts.

(2) To carry out this intent, the General Assembly provides for substituted service of process on certain insurers and other persons in any proceeding in a court and substituted service of any notice, order, pleading, or process on certain insurers and other persons in any proceeding before the Commissioner to enforce or effect full compliance with the insurance and tax laws of the State.

(c) In carrying out the intent of this subtitle, the General Assembly declares that it is exercising:

(1) its power to protect the residents of the State;

(2) its power to define what constitutes doing an insurance business in the State; and

(3) its powers and privileges under the McCarran-Ferguson Act.

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