

Article - Insurance

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§9-211.

(a) The Commissioner may apply to the court for an order that directs the Commissioner to conserve or rehabilitate a domestic insurer or an alien insurer domiciled in the State, if the domestic insurer or alien insurer:

- (1) is an impaired insurer;
- (2) has refused to submit to the Commissioner or a deputy or examiner of the Commissioner, for reasonable examination, any of the property, books, records, accounts, or affairs of the insurer, or of a subsidiary or related company of the insurer within the insurer's control;
- (3) has concealed or removed its assets or records;
- (4) has failed to comply with an order of the Commissioner to make good an impairment of capital or surplus or both;
- (5) without first obtaining the written approval of the Commissioner:
 - (i) has transferred or attempted to transfer substantially all of its property or business; or
 - (ii) has entered into a transaction that merges, consolidates, or reinsures substantially all of its property or business in or with the property of another insurer;
- (6) has willfully violated its charter, articles of incorporation, a State law, or an order of the Commissioner;
- (7) after reasonable notice, has failed promptly and effectively to terminate the employment, status, and influence over the management of the insurer of a person that has executive authority in fact over the insurer and has refused to be examined under oath about the affairs of the insurer in the State or elsewhere;
- (8) has been or is the subject of an application for appointment of a receiver, trustee, custodian, sequestrator, or similar fiduciary of the insurer or its property in an action not filed under this article, regardless of whether the appointment:
 - (i) has been made;
 - (ii) might deny the courts of the State of jurisdiction; or
 - (iii) might prejudice an orderly delinquency proceeding under this

subtitle;

(9) has consented to the order for conservation or rehabilitation through a majority of its directors, stockholders, members, or subscribers;

(10) has failed to pay a final judgment rendered against it in the State on an insurance contract issued or assumed by the insurer, within 60 days after the latest of:

- (i) the day on which the judgment became final;
- (ii) the day on which the time for taking an appeal expired; and
- (iii) the day on which an appeal was dismissed before final termination;

(11) after examination by the Commissioner, is found to be in a condition in which further transaction of its business will be hazardous to its policyholders, bondholders, creditors, or the public;

(12) has failed to remove a person that has executive authority in fact over the insurer after the Commissioner has found that person to be dishonest or untrustworthy in a manner that might affect the business of the insurer;

(13) has reasonable cause to know, or should know, that there has been:

- (i) embezzlement from the insurer;
- (ii) wrongful sequestration or diversion of assets of the insurer;
- (iii) forgery or fraud that affects the insurer; or
- (iv) other illegal conduct in, by, or with respect to the insurer;

(14) is controlled directly or indirectly by a person that the Commissioner finds to be untrustworthy; or

(15) has failed to file a financial report required by law within the time allowed by law and, after written demand by the Commissioner, has failed to give an immediate adequate explanation.

(b) (1) If the appointment of the Commissioner as receiver is not then in effect, and even if no previous order has directed the Commissioner to rehabilitate a domestic insurer or the United States branch of an alien insurer that has trusteed assets in the State, the Commissioner may apply to the court for an order that appoints the Commissioner as receiver and that directs the Commissioner to liquidate the business of the domestic insurer or the United States branch of the alien insurer if the domestic insurer or alien insurer:

(i) has not done business for at least 1 year;

(ii) is an impaired insurer and has commenced voluntary liquidation or dissolution, or attempts to commence or prosecute an action or proceeding to liquidate its business or affairs, to dissolve its corporate charter, or to procure the appointment of a receiver, trustee, custodian, or sequestrator under any law except this article;

(iii) is doing business in a fraudulent manner; or

(iv) is in a condition in which further rehabilitation efforts on any grounds specified in subsection (a) of this section appear to be futile.

(2) If at any time during a rehabilitation proceeding the Commissioner determines that further efforts to rehabilitate the domestic insurer or alien insurer would be useless, the Commissioner may apply to the court for an order of liquidation.

(c) The Commissioner may apply to the court for an order that appoints the Commissioner as receiver or ancillary receiver, and that directs the Commissioner to conserve the assets of a foreign insurer that are located in the State:

(1) on any ground specified in subsection (a) or (b) of this section; or

(2) on the ground that the assets of the foreign insurer have been sequestrated in the jurisdiction in which the foreign insurer is domiciled or in another jurisdiction.

(d) The Commissioner may apply to the court for an order that appoints the Commissioner as receiver or ancillary receiver, and that directs the Commissioner to conserve the assets of an alien insurer that are located in the State:

(1) on any ground specified in subsection (a) or (b) of this section;

(2) on the ground that the alien insurer has failed to comply within the time designated by the Commissioner with an order of the Commissioner to make good an impairment of the trusteed funds of the alien insurer; or

(3) on the ground that the assets of the alien insurer have been sequestrated in the jurisdiction in which the alien insurer is domiciled or in another jurisdiction.

(e) The Commissioner may apply to the court for an order that appoints the Commissioner as ancillary receiver and that directs the Commissioner to liquidate the business of a foreign insurer that has assets, business, or claims in this State on appointment in the domiciliary state of the foreign insurer of a receiver or other officer by whatever name called to liquidate the business of the foreign insurer.

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