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§9–213.

(a) In this section, “appointed receiver” means a person, other than the Commissioner, that the court appoints as a conservator, rehabilitator, or receiver under this section.

(b) (1) On motion of the court or the Commissioner, the court may issue an order that appoints or substitutes a person other than the Commissioner as conservator, rehabilitator, or receiver:

(i) on initial application by the Commissioner for an order to appoint the Commissioner as conservator, rehabilitator, or receiver under this subtitle; or

(ii) at any time during the course of a conservatorship, rehabilitation, or receivership under this subtitle.

(2) An appointed receiver has the same powers and duties that the Commissioner has under this subtitle as conservator, rehabilitator, or receiver.

(c) (1) In addition to any other report required by the court, the court shall require an appointed receiver at least quarterly to file with the Commissioner and court a report about:

(i) the status of the conservatorship, rehabilitation, or receivership;
and

(ii) the activities of the appointed receiver since the last report filed under this paragraph.

(2) The report required under paragraph (1) of this subsection at a minimum shall include:

(i) information of the character required by Title 13 of the Maryland Rules that applies to receivers generally;

(ii) any other information necessary to provide a complete report on the financial affairs and condition of the conservatorship, rehabilitation, or receivership;

(iii) a complete account of all efforts by the appointed receiver since the last report:

1. to sell or dispose of the remaining business, assets, or policies of the insurer; or

2. to otherwise bring to a prompt conclusion the conservatorship, rehabilitation, or receivership; and

(iv) copies of any actuarial or other evaluations of the insurance business and assets under the control of the appointed receiver.

(3) The report shall be audited unless for good cause the court waives the audit.

(d) Subject to any protective order that the court considers appropriate, information filed under seal shall be provided to both the Commissioner and the affected guaranty association.

(e) The appointed receiver shall give the Commissioner and any guaranty association that may be obligated to pay claims during the conservatorship, rehabilitation, or receivership full access to all documents and records related to the conservatorship, rehabilitation, or receivership that are in the possession of the appointed receiver.

(f) The Commissioner may be a party to a conservatorship, rehabilitation, or receivership for which there is an appointed receiver.

(g) (1) Subject to approval of the court, the Commissioner and any guaranty association that may be obligated to pay claims during the conservatorship, rehabilitation, or receivership may negotiate for sale of all or part of the assets or book of business of the insurer placed in conservatorship, rehabilitation, or receivership.

(2) The appointed receiver:

(i) shall cooperate fully in any sales negotiation under paragraph (1) of this subsection; and

(ii) may object to the terms of a sale of the assets or book of business of the insurer that results from the negotiation.

(3) After notice and an opportunity to be heard, the court may limit the efforts of the Commissioner or guaranty association to undertake or continue negotiations for the sale of the assets or book of business of the insurer if the negotiations would impair the ability of the appointed receiver to engage in similar negotiations or discharge other responsibilities.

(h) (1) If the Commissioner determines that an appointed receiver is not adequately discharging the duties and responsibilities of the position, the Commissioner may file with the court an application that seeks to discharge the appointed receiver and to appoint the Commissioner as conservator, rehabilitator, or receiver or to appoint a new appointed receiver.

(2) If the Commissioner establishes by a preponderance of the evidence

that grounds exist for discharge of an appointed receiver, the court shall grant the application of the Commissioner to discharge the appointed receiver and to appoint the Commissioner as conservator, rehabilitator, or receiver or to appoint a new appointed receiver.

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