Article - Insurance

[Previous][Next]

§9–215.

(a) On application of the Commissioner at any time, the court may issue ex parte an order that:

(1) directs the Commissioner to take possession and control of all or part of:

(i) the property, books, accounts, documents, and other records of an insurer; and

(ii) the premises that the insurer occupies for the transaction of its business; and

(2) enjoins the insurer and its officers, directors, stockholders, members, subscribers, agents, and all other persons from the transaction of its business without written consent of the Commissioner.

(b) (1) The court shall specify the duration of a seizure order issued under this section.

(2) The duration of the seizure order shall be the time that the court considers necessary for the Commissioner to determine the condition of the insurer.

(3) On motion of the court or either party and after notice that the court considers appropriate, the court may hold hearings and extend, shorten, or modify the terms of the seizure order.

(4) If the Commissioner fails to commence a delinquency proceeding after having had a reasonable opportunity to do so, the court shall vacate the seizure order.

(5) An order of the court under a delinquency proceeding vacates the seizure order.

(c) Issuance of a seizure order under this section does not constitute an anticipatory breach of any contract of the insurer.

(d) (1) At any time after issuance of an ex parte order under this section, an insurer subject to the order may petition the court for a hearing and review of the order.

(2) Within 15 days after receipt of the petition, the court shall hold the hearing and review of the order.

(e) (1) If at any time after issuance of a seizure order the court determines that a person whose interest is or will be substantially affected by the order did not

appear at the hearing and has not been served, the court may order that notice be given to that person.

(2) The order that notice be given does not stay the effect of any other order previously issued by the court.

(f) At any time during a delinquency proceeding, the court may issue an injunction or order to prevent:

(1) interference with the Commissioner or the delinquency proceeding;

(2) waste of the assets of the insurer;

(3) commencement or prosecution of an action;

(4) obtaining of preferences, judgments, attachments, or other liens; or

(5) levy against the insurer or all or part of its assets.

(g) (1) Except when disclosure is necessary to comply with a court order, all documents and records that relate to a proceeding under this section, including records of the insurer, files of the Administration, and court records and papers, are confidential.

(2) The clerk of the court shall hold all documents and records filed with the court in a proceeding under this section in a confidential file.

(3) After hearing arguments from the parties, the court may order that a document or record be made public.

(h) Notwithstanding any other provision of law, the Commissioner may not be required to post a bond as a prerequisite for issuance of an order under this section.

[Previous][Next]