

Article - Insurance

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§9-219.

(a) (1) Whenever under this subtitle an ancillary receiver is to be appointed in a delinquency proceeding for an insurer not domiciled in the State, the court shall appoint the Commissioner as ancillary receiver.

(2) The Commissioner shall file a petition requesting appointment as ancillary receiver under § 9-211(e) of this subtitle if:

(i) the Commissioner finds that there are sufficient assets of the insurer located in the State to justify the appointment of an ancillary receiver; or

(ii) ten or more persons resident in the State with claims against the insurer file a petition with the Commissioner requesting the appointment of an ancillary receiver.

(b) For the purpose of liquidating an insurer domiciled in a reciprocal state, the domiciliary receiver:

(1) is vested by operation of law with title to all of the property, contracts, and rights of action, and all of the books and records of the insurer located in this State;

(2) immediately may recover balances due from local insurance producers and obtain possession of any books and records of the insurer found in this State;

(3) subject to subsection (c)(1) of this section, may recover other assets of the insurer located in this State; and

(4) may sue in this State to recover any assets of the insurer to which the domiciliary receiver is entitled under the law of this State.

(c) (1) On appointment of an ancillary receiver in this State, the ancillary receiver:

(i) has the sole right to recover other assets of the insurer specified in subsection (b)(3) of this section during the ancillary receivership proceeding;

(ii) shall:

1. as soon as practicable liquidate from the securities of the ancillary receiver those special deposit claims and secured claims that are proved and allowed in an ancillary proceeding in this State; and

2. pay the necessary expenses of the ancillary proceeding; and

(iii) shall transfer promptly all remaining assets to the domiciliary receiver.

(2) Subject to paragraph (1) of this subsection, the ancillary receiver and deputies of the ancillary receiver have the same powers and are subject to the same duties concerning administration of the assets of the insurer as a receiver of an insurer domiciled in this State.

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