

Article - Insurance

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§9-229.

(a) Except as provided in subsection (b) of this section, in all cases of mutual debts and credits between an insurer and another person in connection with a delinquency proceeding, the debts and credits shall be offset and the balance only shall be allowed or paid.

(b) An offset may not be allowed in favor of another person if:

(1) on the date of issuance of a liquidation order or otherwise, as specified in § 9-228(e) of this subtitle, the obligation of the insurer to the person would not entitle the person to share as a claimant in the assets of the insurer;

(2) the obligation of the insurer to the person was purchased by or transferred to the person for use as an offset; or

(3) the obligation of the person is to pay:

(i) an assessment imposed on the members of a mutual insurer or the subscribers of a reciprocal insurer; or

(ii) a balance on the subscription to the capital stock of a stock insurer.

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