

Article - Insurance

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§9-316.

(a) The Commissioner shall terminate by order the operation of the Corporation as to a kind of insurance covered by this subtitle for which the Commissioner has found after a hearing that there is in effect a statutory or voluntary plan:

(1) that is permanent and is adequately funded or for which adequate funding is provided; and

(2) that extends or will extend to policyholders and residents protection and benefits with respect to insolvent insurers not substantially less favorable and effective to those policyholders and residents than the protection and benefits provided under this subtitle for that kind of insurance.

(b) (1) By an order issued under subsection (a) of this section, the Commissioner shall authorize insurers to stop paying the Corporation as to the same kind of insurance for which the operation of the Corporation is terminated under the order.

(2) Notwithstanding paragraph (1) of this subsection, assessments and payments shall continue as necessary to liquidate covered claims of insurers determined to be insolvent before the order and to liquidate the related expenses not covered by the other plan.

(c) (1) If the Commissioner orders the termination of the operation of the Corporation as to all kinds of insurance within its scope, the Corporation as soon as possible after the termination shall:

(i) discharge first the functions of the Corporation as to prior insurer insolvencies not covered by the other plan, including the payment of expenses related to the discharge of these functions; and

(ii) distribute, in accordance with paragraph (2) of this subsection, the balance of moneys and assets remaining to the insurers that are then writing in the State policies of the kinds of insurance covered by this subtitle and that had made payments to the Corporation.

(2) The Corporation shall distribute the balance of moneys and assets remaining to the insurers pro rata on the basis of the aggregate of the payments made by the respective insurers during the period of 5 years immediately preceding the date of the order.

(3) When the distribution as to all kinds of insurance covered by this subtitle is complete, this subtitle shall terminate.

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