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**By: Economic Matters Committee**

Introduced and read first time: February 23, 1996

Assigned to: Economic Matters

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Committee Report: Favorable

House action: Adopted

Read second time: March 21, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Insurance - Examination of Insurers**

3 FOR the purpose of altering the period of time during which the Insurance

4 Commissioner is required at least once to examine the affairs, transactions,

5 accounts, records, and assets of each domestic insurer; providing for the future

6 codification of this Act; and generally relating to examinations of insurers by the

7 Insurance Commissioner.

8 BY repealing and reenacting, with amendments,

9 Article 48A - Insurance Code

10 Section 30(1)

11 Annotated Code of Maryland

12 (1994 Replacement Volume and 1995 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article - Insurance

15 Section 2-205(a)

16 Annotated Code of Maryland

17 (1995 Volume)

18 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

20 MARYLAND, That the Laws of Maryland read as follows:

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1           **Article 48A - Insurance Code**

2 30.

3           (1) The Commissioner shall examine the affairs, transactions, accounts, records,  
4 and assets of each authorized insurer, management company or owned or controlled  
5 subsidiary of such insurer, and each rating organization, as often as he deems advisable.  
6 He shall so examine each domestic insurer not less frequently than every [3] 5 years.  
7 Examination of an alien insurer may be limited to its insurance transactions and affairs in  
8 the United States. Examination of a reciprocal insurer may also include examination of its  
9 attorney in fact insofar as the transactions of the attorney in fact relate to the insurer.

10           SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
11 read as follows:

12           **Article - Insurance**

13 2-205.

14           (a) (1) Whenever the Commissioner considers it advisable, the Commissioner  
15 shall examine the affairs, transactions, accounts, records, and assets of each:

- 16                           (i) authorized insurer;
- 17                           (ii) management company of an authorized insurer;
- 18                           (iii) subsidiary owned or controlled by an authorized insurer; or
- 19                           (iv) rating organization.

20           (2) The Commissioner shall examine each domestic insurer at least once  
21 every [3] 5 years.

22           SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall  
23 take effect October 1, 1996.

24           SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
25 take effect October 1, 1997.