
By: Senator Bromwell

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 8, 1996

Rules 32(a) and 32(b) suspended

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: March 20, 1996

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:

2

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.