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CHAPTER 785  
(House Bill 534)

AN ACT to add new [[Section 215 (A-1) to Article 48A of the Annotated Code of Maryland (1971 Replacement Volume), title "Insurance Code," subtitle "Unfair Trade Practices," to follow immediately after Section 215(A) thereof, to provide for an exception to the cease and desist procedure set forth in Section 215(A).

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 215(a-1) be and it is hereby added to Article 48A of the Annotated Code of Maryland (1972 Replacement Volume), title "Insurance Code," subtitle "Unfair Trade Practices," to follow immediately after Section 215(a) thereof, and to read as follows:

215.

(A-1) WHENEVER IT SHALL APPEAR TO THE SATISFACTION OF THE COMMISSIONER THAT AN INSURED IS ENGAGED IN ANY ACT OR TRANSACTION, OR IN GENERALLY CONDUCTING ITS BUSINESS AND AFFAIRS IN SUCH A MANNER AS TO THREATEN TO RENDER IT INSOLVENT OR SUBJECT IT TO CONSERVATION OR LIQUIDATION PROCEEDINGS OF ANY NATURE, OR WHICH IS OTHERWISE HAZARDOUS TO ITS POLICYHOLDERS, CREDITORS, STOCKHOLDERS OR THE GENERAL PUBLIC, THEN THE COMMISSIONER MAY, WITHOUT NOTICE AND PRIOR TO ANY HEARING, SERVE UPON THE INSURER AN ORDER REQUIRING IT TO CEASE AND DESIST FROM ENGAGING FURTHER IN THE WRITING OF INSURANCE IN THE STATE, PROVIDED THAT, IN ADDITION TO ANY OTHER FINDINGS REQUIRED HEREIN, THE COMMISSIONER SHALL ALSO FIND THAT UNLESS HE ACTS IMMEDIATELY, IRREPARABLE HARM SHALL OCCUR TO ANY PERSON AND PROVIDED ALSO THAT NOTICE OF A HEARING TO BE HELD NOT LESS THAN TWENTY (20) NOR MORE THAN THIRTY (30) DAYS AFTER THE DATE OF THE ORDER BE SERVED AT THE TIME THE ORDER IS SERVED.]] Subsection 55(3) to Article 48A of the Annotated Code of Maryland (1972 Replacement Volume), title "Insurance Code," subtitle "Insurers: Authorization and General Requirements," to follow immediately after Subsection 55(2)(ix), to provide that the Commissioner may act immediately and before a hearing in the issuance of a cease and desist order whenever it appears that an insurer is conducting its business and affairs in such a manner as to threaten to render it insolvent or is conducting its business and affairs in a manner which is hazardous to its policyholders, creditors or to the public or is engaged in any act, practice, or transactions which would constitute ground rendering the insurer subject to conservation or liquidation proceedings.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, THAT A NEW SUBSECTION 55(3) BE AND IS HEREBY ADDED TO ARTICLE 48A OF THE ANNOTATED CODE OF MARYLAND (1972 REPLACEMENT VOLUME), TITLE, "INSURANCE CODE," SUBTITLE "INSURERS: AUTHORIZATION AND GENERAL REQUIREMENTS," TO FOLLOW IMMEDIATELY AFTER SUBSECTION 55(2) (ix), AND TO READ AS FOLLOWS: