

Sincerely,
William Donald Schaefer
Governor

House Bill No. 422

AN ACT concerning

Insurance – Regulation

FOR the purpose of altering the requirement for authorizing the Insurance Commissioner to retain certain persons for conducting certain examinations and providing for the expense of the examinations; requiring approval of the Insurance Commissioner before certain purchases, mergers, or other acquisitions of a domestic insurer or certain other persons may be made; altering and expanding the factors used in determining the reasonableness and adequacy of an insurer's assets and surplus; altering the conditions for determining an extraordinary dividend or distribution of certain insurers; altering provisions that relate to extraordinary dividends or distributions; requiring notification of the Insurance Commissioner before payment of certain dividends; conforming the standard for presumption of control of an insurer by a broker to the standard for determining control of an insurer by an insurance holding company or by certain other insurers or persons; altering the time period in the definition of managing general agent for determining whether the person is acting as a managing general agent; extending for a certain period provisions relating to the Insurance Division and the regulation of insurance; providing for the licensing and regulation of reinsurance intermediaries by the Insurance Commissioner; requiring reinsurance intermediaries to meet certain requirements to be licensed; providing for the term and renewal of a license; authorizing the Insurance Commissioner to deny a license or suspend, revoke, or refuse to renew a license under certain circumstances; providing for the duties of reinsurance intermediaries, authorized insurers that use a reinsurance broker, and reinsurers that use a reinsurance manager; establishing certain penalties; and generally relating to the regulation of insurance and reinsurance intermediaries.

BY repealing and reenacting, with amendments,

Article 48A – Insurance Code

Section 15A, 32(3), 494(e), 496(b), 497, 661(c) and 665(2)(i)

Annotated Code of Maryland

(1991 Replacement Volume and 1992 Supplement)

BY repealing and reenacting, without amendments,

Article 48A – Insurance Code

Section 7(1) and 661(a)

Annotated Code of Maryland

(1991 Replacement Volume and 1992 Supplement)

BY adding to