

BY adding to

Article 48A – Insurance Code
Section 493(d)
Annotated Code of Maryland
(1994 Replacement Volume and 1996 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance
Section 3–116, 3–123(b), and 7–201
Annotated Code of Maryland
(1995 Volume and 1996 Supplement)
(As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 48A – Insurance Code

266.

(a) (1) Any director, officer or member of any stock [or mutual] insurer, or any other person, may loan or advance to such insurer any sum or sums of money necessary to enable it to comply with any surplus requirements, or any other requirements of the law, and such moneys, and such interest thereon as may have been agreed upon, not exceeding six percent per annum, shall be payable only out of the surplus remaining after providing for all reserves and other liabilities, and such advance shall not otherwise be a liability or claim against the insurer or any of its assets.

(2) ANY DIRECTOR, OFFICER OR MEMBER OF ANY MUTUAL INSURER, OR ANY OTHER PERSON, MAY LOAN OR ADVANCE TO SUCH INSURER ANY SUM OR SUMS OF MONEY NECESSARY TO ENABLE IT TO COMPLY WITH ANY SURPLUS REQUIREMENTS, OR ANY OTHER REQUIREMENTS OF THE LAW, AND, SUBJECT TO THE APPROVAL OF THE COMMISSIONER, SUCH MONEYS, AND SUCH INTEREST THEREON AS MAY HAVE BEEN AGREED UPON SHALL BE PAYABLE ONLY OUT OF THE INSURER'S REALIZED EARNED SURPLUS IN EXCESS OF ITS MINIMUM REQUIRED SURPLUS, AND SUCH ADVANCE SHALL NOT OTHERWISE BE A LIABILITY OR CLAIM AGAINST THE INSURER OR ANY OF ITS ASSETS.

(3) ~~No commission or promotion expenses shall be paid in connection with the advance of any such money to the insurer, and the amount of such advance~~ THE AMOUNT OF THE ADVANCE OF ANY MONEY TO A STOCK INSURER OR A MUTUAL INSURER UNDER THIS SUBSECTION shall be reported in each annual statement OF THE INSURER.

272.

(a) Any mutual insurance company or companies organized under the laws of any state of the United States may merge or consolidate with one or more domestic mutual insurance companies, to form a domestic mutual insurance company, and the surviving company may be a continuation of the corporate existence of one or more of the domestic