

Maryland Automobile Insurance Plan or the Maryland Property Insurance Availability Act is not an "assessment" as used in subsection (a) of this section.

SEC. 2. *And be it further enacted, That this Act shall take effect July 1, 1970.*

Approved April 28, 1970

CHAPTER 420
(Senate Bill 272)

AN ACT to repeal and re-enact, with amendments, Sections 252 and 253 of Article 48A of the Annotated Code of Maryland (1957 Edition, 1968 Replacement Volume and 1969 Supplement) title "Insurance Code," subtitle "17. Stock and Mutual Insurers," to correct an error in codification and to provide for the repeal of subsection (c) of Section 252 and to add subsection (g) to Section 253 to follow immediately after subsection (f), all relating to the assets and operations of certain mutual insurers.

SECTION 1. *Be it enacted by the General Assembly of Maryland, That Sections 252 and 253 of Article 48A of the Annotated Code of Maryland (1957 Edition, 1968 Replacement Volume and 1969 Supplement) be and the same are hereby repealed and re-enacted, with amendments, to read as follows:*

252. Qualification of Mutuals; Assets Required.

(a) No mutual insurer shall be issued a certificate of authority until bona fide applications have been received and cash premiums collected in such amount that the premiums, together with any other funds which may be legally available, will result in the insurer having unencumbered assets over and above all required reserves and other liabilities in an amount at least equal to that required under either (1) Sections 48 and 49 if the insurer is to be authorized to do business on a non-assessable basis, or (2) Section 253 if the insurer is to be authorized to do business on an assessable basis.

(b) No insurer commencing business in this State on or after July 1, 1968, shall issue policies of vehicle liability insurance on an assessable basis. Insurers writing assessable vehicle liability policies on July 1, 1968, shall cease issuing such policies after December 31, 1969.

[(c) Notwithstanding the other provisions of this section, any domestic mutual insurer writing assessable policies which is licensed only for property insurance and casualty insurance other than motor vehicle physical damage insurance, motor vehicle liability insurance, or workmen's compensation, shall not be required to have any greater amount of assets or surplus than it would be required to have if it wrote only one kind of insurance, if such insurer (1) restricts its operations to the county where its principal office is located and to the counties in this State which are immediately adjacent thereto, and is not licensed in any other State, (2)