

§412. Deposits

1. No insurance company other than a domestic real estate title insurance company or a domestic mutual fire insurance company that is transacting only the business of fire, marine or glass on the assessment plan may do so in this State unless it makes and maintains a deposit with the Superintendent of Insurance, as security for all its policyholders, of securities that are determined eligible for deposit under section 1253. The deposit must be maintained in a minimum actual market value that, exclusive of interest, may never be less than \$100,000. The deposit must be retained by the superintendent and disposed of as directed by section 1263.

[PL 1999, c. 113, §16 (AMD).]

2. Any admitted foreign insurance company may file with the superintendent a certificate of the insurance supervisory official of such other jurisdiction that the supervisory official holds in trust and on deposit for benefit of all the policyholders of the company a deposit of not less than \$100,000 in such securities as are required or permitted to be deposited with that supervisory official by the laws of that jurisdiction. These securities are to be of a character consistent with investment authority in such jurisdiction. Such certificate must contain a statement by the supervisory official that the supervisory official is satisfied that the actual market value of these securities is of minimum value of \$100,000. A deposit may not be required to be maintained in this State while such a deposit, if so certified, is retained by the supervisory official.

[RR 2021, c. 1, Pt. B, §178 (COR).]

3. The superintendent shall receive and hold in trust deposits made under this section by any domestic insurance company in compliance with the laws of this or any other state, to enable it to do business in this or any other state, and in like manner shall hold deposits made by a foreign company under the laws of this State. The company making such deposit shall be entitled to any investment income thereon and with the superintendent's consent, if not inconsistent with the laws under which such deposit was made, may exchange in whole or in part such securities comprising the deposit for other approved securities of equal value.

[PL 1975, c. 77 (RPR).]

4. The superintendent shall not authorize an alien insurer to transact insurance in this State unless it makes in this State through the superintendent and thereafter continuously maintains a deposit, representing funds in excess of all the insurer's liabilities under insurance contracts in force in the United States of America, of a fair market value in amount not less than the minimum paid-in capital stock required under this Title of a foreign stock insurer authorized to transact like kinds of insurance in this State. The superintendent may require additional trustee surplus funds in reasonable amount to secure the interest of beneficiaries under policies insured by the alien insurer. In addition to the foregoing trustee surplus account, an alien insurer authorized pursuant to this Title shall establish and maintain in one or more states of the United States a deposit or deposits of trust assets of a kind and quality as generally required by this section. The value of the deposit or deposits shall be at least equal to those obligations resulting from insurance in force in the United States. The deposit or deposits shall, if located outside the State, be subject to administration standards comparable to those contained in this Title. The deposit shall be held in trust for the exclusive benefit of the insurer's policyholders and creditors in the United States of America.

A. In lieu of such a deposit made or maintained in this State, the superintendent shall accept the certificate in proper form of the insurance supervisory official having general supervision of insurers in any other state to the effect that a deposit of like quality and amount, or part thereof, by such insurer is being maintained for like purposes in public custody or control pursuant to the laws of such state. [PL 1975, c. 77 (NEW).]

[PL 1985, c. 330, §2 (AMD).]

5. All such deposits in this State are subject to the provisions of chapter 15 (Administration of Deposits).

[PL 1975, c. 77 (NEW).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). PL 1975, c. 77 (RPR). PL 1985, c. 330, §2 (AMD). PL 1999, c. 113, §16 (AMD). RR 2021, c. 1, Pt. B, §178 (COR).

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