

§1263. Duration and release of deposit, in general

1. Every deposit made in this State by an insurer pursuant to this Title shall be held as long as there is outstanding any liability of the insurer as to which the deposit was so required; or, if a deposit required under the retaliatory provision, section 428, the deposit shall be held for so long as the basis of such retaliation exists.

[PL 1969, c. 132, §1 (NEW).]

2. Upon the request of a domestic insurer, the superintendent shall return to the insurer the whole or any portion of the assets and securities of the insurer held on deposit when the superintendent is satisfied that the securities so to be returned are subject to no liability and are not required to be longer held by any provision of law or the purposes of the original deposit. If the insurer has reinsured all its outstanding risks in another insurer or insurers authorized to transact insurance in this State, and if so provided in the reinsurance agreement, the superintendent shall deliver such securities to such insurer or insurers so assuming such risks, upon proof to the superintendent's satisfaction:

A. That the assuming insurer has assumed and agreed to discharge all liabilities of every kind due and to become due that the deposit was to secure; [RR 2021, c. 1, Pt. B, §199 (COR).]

B. That the assuming insurer has on deposit in this State or with a State official in the United States, securities in an amount and value not less than the deposit required of the reinsured insurer and that will subsist for the security of the obligations of the reinsured insurer so assumed; and [RR 2021, c. 1, Pt. B, §199 (COR).]

C. That such assets and securities have been duly assigned, transferred and set over to such assuming insurer or insurers. [PL 1969, c. 132, §1 (NEW).]
[RR 2021, c. 1, Pt. B, §199 (COR).]

3. The superintendent shall return to a foreign insurer any deposit made in this State by the insurer, when the insurer has ceased transacting insurance in this State, or in the United States, and the insurer is not subject to any liability in this State on account of which the deposit was held.

[PL 1969, c. 132, §1 (NEW); PL 1973, c. 585, §12 (AMD).]

4. If the insurer is subject to delinquency proceedings as defined in section 4353 upon the order of a court of competent jurisdiction the superintendent shall yield the insurer's assets held on deposit to the receiver, conservator, rehabilitator or liquidator of the insurer, or to any other properly designated official or officials who succeed to the management and control of the insurer's assets.

[PL 1969, c. 132, §1 (NEW); PL 1973, c. 585, §12 (AMD).]

5. A release of deposited assets may not be made except upon application to and the written order of the superintendent. The superintendent may have no personal liability for any release of any such deposit or part thereof so made by the superintendent in good faith.

[RR 2021, c. 1, Pt. B, §200 (COR).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). RR 2021, c. 1, Pt. B, §§199, 200 (COR).

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