

§3423. Impairment of capital funds

1. If a domestic stock insurer's paid-in capital stock, as represented by the aggregate par value of its outstanding capital stock, becomes impaired, or the assets of a domestic mutual insurer are less than its liabilities and the minimum amount of basic surplus required to be maintained by it under this Title for authority to transact the kinds of insurance being transacted, the superintendent shall at once determine the amount of deficiency and serve notice upon the insurer to cure the deficiency and file proof thereof with the superintendent within the period specified in the notice, which period may not be less than 30 nor more than 90 days from the date of the notice. Such notice may be so served by delivery to the insurer, or by mailing to the insurer addressed to its registered office in this State. [PL 2023, c. 405, Pt. A, §91 (AMD).]

2. The deficiency may be made good in cash or in assets eligible under chapter 13 (investments) for the investment of the insurer's funds or by amendment of the insurer's certificate of authority to cover only such kind or kinds of insurance thereafter for which the insurer has sufficient paid-in capital stock, if a stock insurer, or surplus, if a mutual insurer, under this Title; or, if a stock insurer, by reduction of the number of shares of the insurer's authorized capital stock or the par value of the capital stock through amendment of its certificate of organization or articles of incorporation, to an amount of authorized and unimpaired paid-in capital stock not below the minimum required for the kinds of insurance thereafter to be transacted. [PL 2013, c. 299, §14 (AMD).]

3. If the deficiency is not made good and proof thereof filed with the superintendent within the period required by the notice as specified in subsection 1, the insurer shall be deemed insolvent and the superintendent shall institute delinquency proceedings against it under chapter 57. [PL 1973, c. 585, §12 (AMD).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). PL 2013, c. 299, §14 (AMD). RR 2021, c. 1, Pt. B, §281 (COR). PL 2023, c. 405, Pt. A, §91 (AMD).

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