

§3353. Qualifying applications for insurance; bond or deposit

1. Before soliciting any applications for insurance required under section 3352 as qualification for the original certificate of authority, the incorporators of the proposed insurer shall file with the superintendent a corporate surety bond in the penalty of \$15,000, in favor of the State and for the use and benefit of the State and of applicant members and creditors of the corporation. The bond must be conditioned in the event the corporation fails to complete its organization and secure a certificate of authority within one year after the date of its articles of incorporation:

A. For the prompt return to applicant members of all premiums collected in advance; [PL 1969, c. 132, §1 (NEW).]

B. For payment of all indebtedness of the corporation; and [PL 1969, c. 132, §1 (NEW).]

C. For payment of costs incurred by the State in the event of any legal proceedings for liquidation or dissolution of the corporation. [PL 2013, c. 299, §6 (AMD).]

[PL 2013, c. 299, §6 (AMD).]

2. In lieu of such bond, the incorporators may deposit with the commissioner \$15,000 in cash or United States government bonds, negotiable and payable to the bearer, with a market value at all times of not less than \$15,000 and to be held in trust upon the same conditions as required for the bond.

[PL 1969, c. 132, §1 (NEW).]

3. The superintendent shall release and discharge any such bond filed or deposit or remaining portion thereof held under this section upon settlement and termination of all liabilities against it.

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

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). PL 2013, c. 299, §6 (AMD).

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