

§4440-A. Special assessment

1. Special assessment. If the maximum assessment, together with the other assets of the association in any account, does not provide in any one year in any account an amount sufficient to make all necessary payments from that account, the shortfall shall be assessed as an obligation of the other accounts of the association, with each member insurer's assessment to be in the proportion that its net direct written premiums for the calendar year preceding the assessment on the kinds of insurance in the accounts to be assessed bears to the total net direct written premiums of all member insurers for the same calendar year on the kinds of insurance in those accounts. The total of assessments against a member insurer under this section and section 4440 for any account in any one calendar year shall not exceed 2% of that member's net direct written premium on the kinds of insurance written in that account for the next preceding calendar year.

[PL 1989, c. 67, §8 (NEW).]

2. Limit on assessment. Subject to the 2% limitation, an assessment made under this section may not exceed 5% of the average of a member insurer's net income of the 3 years prior to the year in which the assessment is made for any member insurer:

A. That has surplus of less than \$15,000,000 and either a ratio of total net direct written premium to total surplus greater than 2 or net income of less than \$250,000 for the year preceding the assessment. For purposes of this subsection, "net income" means the sum of underwriting income and investment income, net of dividends to policyholders and federal and foreign income taxes incurred, as reported on the insurer's annual statement filed with the superintendent. "Total surplus" means surplus as regards policyholders, as reported on the insurer's annual statement filed with the superintendent; or [PL 1995, c. 289, §17 (AMD).]

B. That has a surplus of less than \$15,000,000 and has fewer than 3,000 policyholders. [PL 1995, c. 289, §17 (AMD).]

[PL 1995, c. 289, §17 (AMD).]

3. Repealer.

[PL 1989, c. 67, §8 (NEW); PL 1989, c. 751, §5 (RP).]

4. Notification to Legislature. Within 7 days after the board of directors votes to levy an assessment under this section, the chair of the board of directors shall notify the chairs of the legislative committee having jurisdiction over insurance matters that the association has voted to make such an assessment. The notification must:

A. Be in writing; and [PL 1989, c. 751, §6 (NEW).]

B. Include the total amount to be assessed against each account and the name of the account to which the assessed funds will be credited. [PL 1989, c. 751, §6 (NEW).]

[PL 1989, c. 751, §6 (NEW).]

SECTION HISTORY

PL 1989, c. 67, §8 (NEW). PL 1989, c. 641, §§1,2 (AMD). PL 1989, c. 751, §§5,6 (AMD). PL 1995, c. 289, §17 (AMD).

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