

TITLE 4: ECONOMIC RESOURCES
DIVISION 7: INSURANCE

§ 7308. Alien Insurers.

(a) *Scope of Section.* The provisions of this section shall be applicable only to alien insurers. Alien insurers are also subject to all other provisions of this division from which they are not otherwise specifically excepted.

(b) *General Agent.* An alien insurer may not be granted a certificate unless and until it has complied with the provisions of this section:

(1) Duly appoint a licensed resident general agent who shall have the power of attorney of the insurer which authorizes him to appoint subagents and solicitors for the insurer;

(2) File with the commissioner its consent that its resident general agent is authorized to accept service of process on its behalf for all cases, and that such service shall constitute personal service upon the insurers;

(3) File with the commissioner a power of attorney authorizing the resident general agent to countersign all policies of the alien insurer effected on risks in the Commonwealth.

(c) *Deposit of Securities.*

(1) An alien insurer as a prerequisite to the transaction of any insurance in the Commonwealth shall furnish such proof as the commissioner may require that it has, in the Commonwealth, unencumbered United States dollar assets available for the payment of claims in the Commonwealth in a minimum amount equal to the paid-in capital required of domestic insurers by this division, or it shall make a deposit with the commissioner of securities, of a class or classes authorized for investment of the assets of domestic insurers, in an amount equal to the minimum amount of paid-in capital required of domestic insurers by this division.

(2) For the purpose of computing the amount of the deposit, the securities shall be valued by the commissioner at their current market value; the deposit shall always be in an amount that such value meets the above-stated minimum requirements.

(3) The deposit shall be continuously maintained so long as any obligation arising out of any insurance transacted by the alien insurer in the Commonwealth remains in existence for any purpose whatsoever.

(4) The deposit shall be for the benefit and security of all policyholders and creditors of the alien insurer in the Commonwealth. The commissioner shall be the trustee for such beneficiaries in the event of any default by the insurer in accordance with the terms of the policy.

(5) On receipt of such deposit, the commissioner shall issue the depositing insurer a receipt stating the items and amount of securities so deposited; the commissioner may provide for the deposit or safekeeping of such securities in any bank or banks or other financial institutions located in the Commonwealth as shall be approved for such purposes.

(d) *Annual Financial Statement.* Every admitted alien insurer shall, on or before April 1 of each year, file with the commissioner an annual financial statement, verified under oath, setting forth its financial conditions, transactions and affairs as of the 31st day of December immediately preceding, in general form and context as approved by the National Association of Insurance Commissioners, plus any additional information required by the commissioner.

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(e) *Examination.* Whenever any alien insurer applies for admission, the commissioner may cause to be made by the proper authority of the jurisdiction where such insurer is organized, or if authorized to transact insurance business in a United States jurisdiction other than the Commonwealth by the insurance authority of such other United States jurisdiction, an examination of its business and financial affairs and that a report of the examination be made to him. At such other times as the commissioner shall deem necessary and proper, he may cause a like examination to be made. The cost of the examination shall be paid by the insurer examined.

Source: PL 3-107, § 22.