

such modification shall be effective retroactively, nor as to any insurance contract issued prior thereto.

287. Attorney's Bond.

(a) Concurrently with the filing of the declaration provided for in section 283, the attorney of a domestic reciprocal insurer shall file with the Commissioner a bond in favor of this State for the benefit of all persons damaged as a result of breach by the attorney of the conditions of his bond as set forth in subsection (b) hereof. The bond shall be executed by the attorney and by an authorized corporate surety, and shall be subject to the Commissioner's approval.

(b) The bond shall be in the penal sum of one hundred thousand dollars (\$100,000), aggregate in form, conditioned that the attorney will faithfully account for all money and other property of the insurer coming into his hands, and that he will not withdraw or appropriate to his own use from the funds of the insurer, any money or property to which he is not entitled under the power of attorney.

(c) The bond shall provide that it is not subject to cancellation unless thirty (30) days' advance notice in writing of cancellation is given both the attorney and the Commissioner.

288. Action on Bond.

Action on the attorney's bond may be brought at any time by one or more subscribers suffering loss through a violation of its conditions, or by a receiver or liquidator of the insurer. Amounts recovered in any such action shall be deposited in and become part of the insurer's funds. The total aggregate liability of the surety shall be limited to the amount of the penalty of such bond.

289. Annual Statement.

(a) The annual statement of a reciprocal insurer shall be made and filed by its attorney.

(b) The statement shall be supplemented by such information as may be required by the Commissioner relative to the affairs and transactions of the attorney insofar as they relate to the reciprocal insurer.

290. Contributions to Insurer.

The attorney or other parties may advance to a domestic reciprocal insurer upon reasonable terms such funds as it may require from time to time in its operations. Sums so advanced shall not be treated as a liability of the insurer, and, except upon liquidation of the insurer, shall not be withdrawn or repaid except out of the insurer's realized earned surplus in excess of its minimum required surplus. No such withdrawal or repayment shall be made without the advance approval of the Commissioner. This section does not apply to bank loans or to loans for which security is given.

291. Financial Condition—Method of Determining.

In determining the financial condition of a reciprocal insurer the Commissioner shall apply the following rules:

(a) He shall charge as liabilities the same reserves as are required of incorporated insurers issuing nonassessable policies on a reserve basis.