

provisions; providing certain membership rights to certain policyholders; providing for the application of certain policy terms and conditions after a certain reorganization; establishing certain financial requirements for certain reorganized stock insurers; providing for the approval of a certain plan of reorganization; requiring a certain plan of reorganization together with certain other documents to be submitted to the Insurance Commissioner for approval; providing for the approval or disapproval of a certain plan of reorganization by the Insurance Commissioner; providing that the Insurance Commissioner may retain a certain qualified expert to assist in reviewing a certain plan of reorganization; allowing the Commissioner to hold a certain hearing; providing for the application of certain laws to certain mutual insurance holding companies; allowing the Insurance Commissioner to adopt certain regulations; making certain stylistic changes; and generally relating to the conversion of a mutual insurance holding company to a stock insurer and formation of a mutual insurance holding company.

BY adding to

Article – Insurance

Section 3-121.1

Annotated Code of Maryland

(1997 Volume and 1999 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 7-103

Annotated Code of Maryland

(1997 Volume and 1999 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Insurance**

3-121.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "MUTUAL INSURANCE HOLDING COMPANY" MEANS A NONSTOCK CORPORATION THAT:

(I) IS INCORPORATED IN THE STATE IN ACCORDANCE WITH A PLAN OF REORGANIZATION ADOPTED AND APPROVED UNDER THIS SECTION; AND

(II) IS THE PARENT OF A REORGANIZED STOCK INSURER.

(3) "REORGANIZED STOCK INSURER" MEANS THE STOCK CORPORATION INTO WHICH A MUTUAL INSURER IS REORGANIZED IN ACCORDANCE WITH A PLAN OF REORGANIZATION ADOPTED AND APPROVED UNDER THIS SECTION.