270. Converting Mutual Insurer~~.~~ TO STOCK INSURER.

(a) A domestic mutual insurer may become a stock insurer under such plan and procedure as may be approved by the Commissioner after a hearing thereon.

(b) The Commissioner shall not approve any such plan or procedure unless:

(1) It is equitable to the insurer's members;

(2) It is subject to approval by vote of not less than three-fourths of the insurer's current members voting thereon in person, by proxy, or by mail at a meeting of members called for the purpose pursuant to such reasonable notice and procedure as may be approved by the Commissioner; if a life insurer, right to vote may be limited to members who hold policies other than term or group policies, and ~~whse~~ WHOSE policies have been in force for not less than one year;

(3) The equity of each policyholder in the insurer is determinable under a fair formula approved by the Commissioner, which such equity shall be based upon not less than the insurer's entire surplus (after deducting contributed or borrowed surplus funds) plus a reasonable present equity in its reserves and in all non-admitted assets;

(4) The policyholders entitled to participate in the purchase of stock or distribution of assets shall include all current policyholders and all existing persons who had been a policyholder of the insurer within three years prior to the date such plan was submitted to the Commissioner;

(5) The plan gives to each policyholder of the insurer as specified in subdivision (4) above, a preemptive right to acquire *his* proportionate part of all of the proposed capital stock of the insurer, within a designated reasonable period, and to apply upon the purchase thereof the amount of his equity in the insurer as determined under subdivision (3) above;

(6) Shares are so offered to policyholders at a price not greater than to be thereafter offered to others, but at not more than double the par value of such shares;

(7) The plan provides for payment to each policyholder not electing to apply his equity in the insurer for or upon the purchase price of stock to which preemptively entitled, of cash in the amount of not less than fifty per cent (50%) of the amount of his equity not so used for the purchase of stock, and which cash payment together with stock so purchased, if any, shall constitute full payment and discharge of the policyholder's equity as an owner of such mutual insurer; and

(8) The plan, when completed, would provide for the converted insurer paid-in capital stock in an amount not less than the minimum paid-in capital required of a domestic stock insurer transacting like kinds of insurance, together with surplus funds in amount not less than~~[one-half]~~ ~~*fifty per cent*~~ ~~of such required capital[.]~~~~,~~ ~~*for companies commencing business in this State prior to July 1, 1966, and not less than one hundred per cent of such required capital for companies commencing business in this State on or after July 1, 1966.*~~ ONE-HUNDRED (100) PER-CENT OF SUCH REQUIRED CAPITAL.