

MAY NOT BE CONSIDERED TO BE A DEBT OF THE STATE OR A PLEDGE OF ITS CREDIT.

507.

(a) The board of directors of the [Association] CORPORATION shall consist of not less than five nor more than nine persons serving terms as established in the plan of operation. [The Commissioner shall appoint the] THE members of the board SHALL BE ELECTED from member insurers. Vacancies of the board shall be filled for the remaining period of the term BY A MAJORITY VOTE OF THE REMAINING MEMBERS OF THE BOARD [in the same manner as initial appointments]. A chairman shall be elected by the board from its members. The board may elect officers and shall appoint an executive committee of three from its members.

(b) In [approving selections to] ELECTING DIRECTORS OR FILLING VACANCIES ON the board, [the Commissioner shall consider] CONSIDERATION SHALL BE GIVEN TO, among other things, whether all member insurers are fairly represented.

(c) Members of the board may be reimbursed from the assets of the [Association] CORPORATION for expenses incurred by them as members of the board of directors.

508.

(a) The [Association] CORPORATION shall:

(1) Be obligated to the extent of the covered claims existing prior to the determination of insolvency and arising within 30 days after the determination of insolvency, or before the policy expiration date if less than 30 days after the determination, or before the insured replaces the policy or causes its cancellation, if he does so within 30 days of the determination, but such obligation shall include only that amount of each covered accident claim which is in excess of \$50. In no event shall the [Association] CORPORATION be obligated to a policyholder or claimant in an amount in excess of the obligation of the insolvent insurer under the policy from which the claim arises.

(2) Be deemed the insurer to the extent of its obligation on the covered claims and to such extent shall have all rights, duties, and obligations of the insolvent insurer as if the insurer had not become insolvent.

(3) Allocate claims paid and expenses incurred among the [six] 4 accounts separately, and assess member insurers separately for each account in amounts necessary to pay the obligation of the [Association] CORPORATION under paragraph (1) subsequent to an insolvency, the expenses of handling covered claims subsequent to an insolvency, [the cost of examinations under § 513] and other expenses authorized by this subtitle. The assessments of each member insurer shall be in the proportion