

the City of Baltimore, or in such securities as may be prescribed by the insurance laws of this State, and deposited with the proper official of this State to guarantee the payment of policies issued by said company, and until the insurance commissioner shall, upon request, value the assets of the said company, and its outstanding policies, and shall give his certificate that the admitted assets of said company, including its capital stock, are sufficient to provide reserve upon all outstanding policies as required by the laws of this State in relation to insurance companies, over and above all other *bona fide* debts and claims against it. Upon the receipt of such certificate from the insurance commissioner, the stockholders may elect from among themselves not less than five or more than twenty-five directors to hold office until the ensuing annual meeting or until their successors shall have been duly elected and qualified, and the directors so elected shall have and they are hereby authorized to exercise all the rights and powers proper to be exercised by the directors of such stock company under the laws of this State.

The insurance commissioner upon request, and upon payment to him at the usual rates of the cost of such work, shall ascertain and certify the proportionate interest in the assets of the mutual corporation before its reorganization as a stock company, of each of the members of the mutual company who may refuse to assent to the change of said company into a stock company; but the interest of no member so dissenting shall be valued at more than the full legal reserve upon his policy as prescribed by law, at the time of the reorganization of the corporation as a stock company, and the amount of the interest of every such dissenting member or policy holder, shall be paid over to them respectively, and upon the payment or tender to him of the amount of interest so ascertained and certified, the membership of each such dissenting member or policy holder shall cease and determine; and the remainder of the assets in excess of the sum required for the compensation of dissenting members or policy holders as aforesaid, may be deposited with the Treasurer of Maryland or the insurance commissioner under the provisions of Sections 157 and 193 of this Article as a guarantee for the payment of the policies issued by said company. And any surplus that may be found to exist in the assets of such corporation over and above all its liabilities including the legal reserve for all outstanding policies in force, as ascertained and certified by the insurance commissioner as hereinabove provided at the date of its reorganization as stock company shall be held as a fund for the security of the creditors of the company, and shall under no circumstances pass to the ownership of the stockholders, be distributed among them or be used or encroached upon for the payment of dividends upon the capital stock.

The mutual policies and all rights and liabilities attached thereto, and all the powers and obligations of the company with reference to the same, shall survive so long as said policies shall remain in force, except that such policies shall thereafter be considered as policies for the largest amount, which, according to their terms, might be payable thereunder