

where such corporation is located, may, with the consent in writing of two-thirds of the members of such corporation, and the consent of three-fourths of its directors, become a joint stock corporation, subject to the existing laws of this State applicable to such corporations. The policy holders of said company shall have the first right to subscribe to said stock, subject to such equitable regulations as the directors may prescribe; but all such subscriptions must be made in cash and at not less than par. The assets, if any, and the liabilities of the mutual company shall thereupon be and become the assets of the stock company, except so far as herein otherwise provided; but it is hereby made the duty of the Insurance Commissioner, upon request and payment for said work at the usual rates, to ascertain the interest in said assets of all the members of the mutual company who have not given their consent as aforesaid to the change of said company into a stock company, and this interest so ascertained shall be paid over to such non-assenting members, and upon payment or tender to them of said interest so ascertained their membership shall cease and be determined, and the balance of such assets, less the provision made above for the protection of outstanding mutual policy holders, may be deposited with the treasurer or the Insurance Commissioner of Maryland, as guarantee capital for the payment of the policies of insurance issued by said company, as required by section 116 and section 128 of this Article; and the mutual policies, and all the 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 be thereafter considered as policies for the largest amount which, according to their terms, might be payable thereunder in case the assessment provided for should yield a sufficient amount to pay the same; and if any certain number of assessments be specified upon said policies as payable by the holders thereof, the company shall not be entitled to levy any further assessments, even although such rights may have been expressly reserved in the policy; provided, however, that before any such company shall be entitled to do business as a stock company as aforesaid, the Insurance Commissioner shall, upon request, value the assets of the said company and its outstanding policies, and shall find and 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.

CHAP. 131.
May become
a joint stock
company.

Non-
assenting
members to
be paid
their interest
in said
assets.

Assets of
company to
be valued.

SEC. 2. *And be it enacted*, That this Act shall take effect from the date of its passage.

Approved April 1, 1902.