

SEC. 2. *And be it further enacted*, That this Act shall take effect June 1, 1951.

Approved April 30, 1951.

CHAPTER 650

(House Bill 543)

AN ACT to add a new section to Article 48A of the Annotated Code of Maryland (1939 Edition), title "Insurance", sub-title "Reciprocal Exchanges and Inter-Insurers", relating to ~~dividends~~ SAVINGS on policies or contracts of Reciprocal Exchanges and Inter-Insurers, and providing the manner and condition of the ~~declaration~~ FIXING and payment of such ~~dividends~~ SAVINGS.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That a new section be added to Article 48A of the Annotated Code of Maryland (1939 Edition), title "Insurance", sub-title "Reciprocal Exchanges and Inter-Insurers", said new section to be known as Section 179A, to follow immediately after Section 179 thereof, and to read as follows:

179A. (*Dividends on Policies.*) *From time to time the attorney for the subscribers of any such reciprocal exchange or inter-insurer, under the provisions of this sub-section, may fix and determine ~~dividends~~ SAVINGS to be paid to such subscribers or policyholders on participating policies or contracts from the earned surplus of such reciprocal exchange or inter-insurer, and when ~~declared~~ FIXED shall establish an adequate ~~reserve~~ SURPLUS from which such ~~dividends~~ SAVINGS are to be paid. No such ~~dividend~~ SAVINGS shall be ~~declared~~ FIXED or paid if by the payment thereof the minimum surplus or other required surplus of such reciprocal exchange or inter-insurer will be impaired. In ~~declaring~~ FIXING or paying any such ~~dividend~~ SAVINGS the attorney for the subscribers of such reciprocal exchange or inter-insurer may make reasonable classifications of policies or contracts, and policies or contracts in the same classification shall be treated without unfair discrimination. If any such reciprocal*

EXPLANATION: *Italics indicate new matter added to existing law.*

[Brackets] indicate matter stricken from existing law.

CAPITALS indicate amendments to bill.

~~Strike out~~ indicates matter stricken out of bill.