

247. "Stock" Insurer Defined.

A "stock" insurer is an incorporated insurer with capital divided into shares and owned by its stockholders.

248. "Mutual" Insurer Defined.

A mutual insurer is an incorporated insurer without capital stock and the governing body of which is elected as provided in this article.

249. Formation of Domestic Insurers.

Domestic insurers may be formed under the provisions of Article 23 of the Code of Public General Laws for insurance purposes, and may be formed either as mutual or stock corporations, as shall be determined and declared in the articles of incorporation of any such insurer.

250. Applicability of General Corporation Statutes.

Domestic insurers shall comply with all the provisions of Article 23 of the Code of Public General Laws, so far as applicable, relating to the formation, powers vested in and obligations imposed upon corporations formed under the provisions of said article, except as otherwise specifically provided in this article, but shall in all other respects be subject to and regulated by the provisions of this article and by no other law, act or part of act now in force or that may hereafter be passed, unless one or more classes of corporations embraced within this article shall be specifically mentioned and embraced within the provisions of any such act hereafter passed.

251. Articles of Incorporation; Approval by Commissioner.

The articles of incorporation of every domestic insurer, and any amendment thereof, shall be submitted to the Commissioner for examination and approval before the same may be received for record by the State Department of Assessments and Taxation. No such articles of incorporation or articles of amendment shall be operative until the Commissioner, by written endorsement thereon, approves the articles of incorporation or amendment as being in accordance with the insurance laws of Maryland.

252. Qualification of Mutuels; Assets Required.

No mutual insurer shall be issued a certificate of authority until bona fide applications have been received and cash premiums collected in such amount that the premiums, together with any other funds which may be legally available, will result in the insurer having unencumbered assets over and above all required reserves and other liabilities in an amount at least equal to that required under either (1) sections 48 and 49 if the insurer is to be authorized to do business on a nonassessable basis, or (2), Section 253 if the insurer is to be authorized to do business on an assessable basis.

253. Mutuels; Assessable Basis; Assets Required.

(a) A mutual insurer which proposes to or is writing assessable policies must comply with all the requirements of this article except that the financial requirements of this section shall apply in lieu of sections 48, 49, 50, and 72.