

not below the minimum required for the kinds of insurance business thereafter to be transacted; or if a mutual insurer, by amendment of its certificate of authority to cover only such kind or kinds of insurance business thereafter for which the insurer has sufficient surplus under this article.

(c) If the deficiency is not made good and proof thereof filed with the Commissioner within such sixty-day period, the insurer shall be deemed insolvent and the Commissioner shall institute delinquency proceedings against it under subtitle 10 of this article; except that if such deficiency exists because of increased loss reserves required by the Commissioner, or because of disallowance by the Commissioner of certain assets or reduction of the value at which carried in the insurer's accounts, the Commissioner may, in his discretion and upon application and good cause shown, extend for not more than an additional sixty days the period within which such deficiency may be so made good and such proof thereof so filed.

257. Membership in Mutuals.

(a) Each policyholder of a domestic mutual insurer, other than of a reinsurance contract, is a member of the insurer with all rights and obligations of such membership, and the policy shall so specify.

(b) Any person, government or governmental agency, state or political subdivision thereof, public or private corporation, board, association, firm, estate, trustee or fiduciary may be a member of a domestic, foreign, or alien mutual insurer. Any officer, stockholder, trustee or legal representative of any such corporation, board, association or estate may be recognized as acting for or on its behalf for the purpose of such membership, and shall not be personally liable upon any contract of insurance for acting in such representative capacity.

(c) Any domestic corporation may participate as a member of a mutual insurer as an incidental purpose for which such corporation is organized, and such right is as much granted as the rights and powers expressly conferred.

258. Membership Voting.

Every member of a domestic mutual insurer shall be entitled to one vote, or to such a number of votes based upon the insurance in force, the number of policies held, or the amount of premium paid, as may be provided in the bylaws. Under any group policy, the policyholder only shall be a member of the company and entitled to vote as such member at the meetings of the company.

259. Contingent Liability of Mutual Members.

(a) Each member of a domestic mutual insurer other than a life insurer shall, except as otherwise hereinafter provided with respect to nonassessable policies, have a contingent liability, pro rata and not one for another, for the discharge of its obligations, which contingent liability shall be expressed in the policy.

(b) Termination of the policy of any such member shall not relieve the member of contingent liability for his proportion, if any, of the obligations of the insurer which accrued while the policy was in force.