

(6) Shares are so offered to policyholders at a price not greater than to be thereafter offered to others, but at not more than double the par value of such shares;

(7) The plan provides for payment to each policyholder not electing to apply his equity in the insurer for or upon the purchase price of stock to which preemptively entitled, of cash in the amount of not less than fifty percent (50%) of the amount of his equity not so used for the purchase of stock, and which cash payment together with stock so purchased, if any, shall constitute full payment and discharge of the policyholder's equity as an owner of such mutual insurer; and

(8) The plan, when completed, would provide for the converted insurer paid-in capital stock in an amount not less than the minimum paid-in capital required of a domestic stock insurer transacting like kinds of insurance, together with surplus funds in amount not less than one-half of such required capital.

271. Consolidation and Merger of Stock Insurers.

(a) The provisions of article 23 relating to consolidation and merger of stock corporations shall apply to the consolidations and mergers of domestic stock insurers and domestic and foreign stock insurers, except as otherwise provided in this section.

(b) The articles of consolidation and the articles of merger of stock insurers 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.

(c) No such articles of consolidation or merger shall be operative until the Commissioner, by written endorsement thereon, approves the articles as being in accordance with the insurance laws of Maryland.

272. Mergers and Consolidations, Mutual Insurers.

(a) Any mutual insurance company or companies organized under the laws of any state of the United States may merge or consolidate with one or more domestic mutual insurance companies, to form a domestic mutual insurance company, and the surviving company may be a continuation of the corporate existence of one or more of the domestic parties to the agreement. Insurers merging or consolidating under this section shall enter into a written agreement prescribing the terms and conditions of the merger and setting forth the name of the surviving company and its amended certificate of incorporation which shall contain the provisions required by this article respecting the organization of a mutual insurer. Such agreement shall be approved by the vote of a majority of the board of directors of each company and such agreement shall be submitted to a meeting of members and approved by the votes of at least two-thirds of those members of each company who are present and voting at the meeting. Notice shall be mailed to the members of the company not less than twenty days before the date of the meeting of the time, place and purpose of the meeting or in lieu thereof, notice shall be published at least once a week for three successive weeks in some newspaper printed in the county in which the company has its principal office and in addition thereto, in some newspaper printed in either of the two largest cities in each state in which the company shall be licensed to do business.