

(3) Procure the audit of the accounts and records of the insurer and of the attorney at the expense of the insurer; and

(4) Have such additional powers and functions as may be conferred by the subscribers' agreement.

#### **294. Subscribers' Liability.**

(a) The liability of each subscriber, other than as to a nonassessable policy, for the obligations of the reciprocal insurer shall be an individual, several and proportionate liability, and not joint.

(b) Except as to a nonassessable policy, each subscriber shall have a contingent assessment liability, in the amount provided for in the power of attorney or in the subscribers' agreement, for payment of actual losses and expenses incurred while his policy was in force. Such contingent liability may be at the rate of not less than one (1) additional premium **NOR MORE THAN TEN TIMES THE ANNUAL PREMIUM** ~~not to exceed one annual premium or premium deposit~~ stated in the policy, and the maximum aggregate thereof shall be computed in the manner set forth in section 295 of this subtitle.

(c) Each assessable policy issued by the insurer shall contain a statement of the contingent liability.

#### **295. Assessments.**

(a) Assessments may from time to time be levied upon subscribers of a domestic reciprocal insurer liable therefor under the terms of their policies by the attorney upon approval in advance by the subscribers' advisory committee and the Commissioner; or by the Commissioner in liquidation of the insurer.

(b) Each subscriber's share of a deficiency for which an assessment is made, but not exceeding in any event his aggregate contingent liability as stated in accordance with section 294 of this subtitle, shall be computed by applying to the premium earned on the subscriber's policy or policies during the period to be covered by the assessment, the ratio of the total deficiency to the total premiums earned during such period upon all policies subject to the assessment.

(c) In computing the earned premiums for the purposes of this section, the gross premium received by the insurer for the policy shall be used as a base, deducting therefrom solely charges not recurring upon the renewal or extension of the policy.

(d) No subscriber shall have an offset against any assessment for which he is liable, on account of any claim for unearned premium or losses payable.

#### **296. Time Limit for Assessments.**

Every subscriber of a domestic reciprocal insurer having contingent liability shall be liable for, and shall pay his share of any assessment, as computed and limited in accordance with this subtitle, if:

(a) While his policy is in force or within three years after its termination, he is notified by either the attorney or the Commissioner of his intentions to levy such assessment, or