

tions of policies or contracts, and policies or contracts in the same classification shall be treated without unfair discrimination. If any such reciprocal insurer shall offer an alternative method or plan for savings classifications, the policy of contract shall contain an endorsement setting forth the class to which it is assigned. Each such reciprocal insurer shall establish a procedure which makes reasonable provision for notice to the policyholder or subscriber respecting savings fixed and payable under his policy or contract.

300. Merger or Conversion.

(a) A domestic reciprocal insurer upon affirmative vote of not less than two-thirds of its subscribers who vote on such merger pursuant to due notice and the approval of the Commissioner of the terms therefor, may merge with another reciprocal insurer or be converted to a stock or mutual insurer.

(b) Such a stock or mutual insurer shall be subject to the same capital or surplus requirements and shall have the same rights as a like domestic insurer transacting like kinds of insurance business.

(c) The Commissioner shall not approve any plan for such merger or conversion which is inequitable to subscribers, or which, if for conversion to a stock insurer, does not give each subscriber preferential right to acquire stock of the proposed insurer proportionate to his interest in the reciprocal insurer and a reasonable length of time within which to exercise such right.

301. Impaired Reciprocal.

(a) If the assets of a reciprocal insurer are at any time insufficient to discharge its liabilities, other than any liability on account of funds contributed by the attorney or others, and to maintain the required surplus, its attorney shall forthwith make up the deficiency or levy an assessment upon the subscribers for the amount needed to make up the deficiency; but subject to the limitation set forth in the power of attorney or policy.

(b) If the attorney fails to make up such deficiency or to make the assessment within thirty (30) days after the Commissioner orders him to do so, or if the deficiency is not fully made up within sixty days after the date the assessment was made, the insurer shall be deemed insolvent and shall be proceeded against as authorized by this article.

(c) If liquidation of such an insurer is ordered, an assessment shall be levied upon the subscriber for such an amount, subject to limits as provided by this subtitle, as the Commissioner determines to be necessary to discharge all liabilities of the insurer, exclusive of any funds contributed by the attorney or other persons, but including the reasonable cost of the liquidation.

19. FRATERNAL BENEFIT SOCIETIES

302. Fraternal Benefit Societies Defined.

Any incorporated society, order or supreme lodge, without capital stock, including one exempted under the provisions of section 306 (a) 2 of this subtitle whether incorporated or not, conducted solely for the benefit of its members and their beneficiaries and not for