

SHALL BE APPOINTED BY THE GOVERNOR WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS ACT [[FROM 15 NOMINEES PROPOSED BY THE MEDICAL AND CHIRURGICAL FACULTY]]. THE INITIAL BOARD SHALL SERVE FOR AN INITIAL TERM ENDING SEVEN MONTHS AFTER THE EFFECTIVE DATE OF THIS ACT. THEREAFTER, DIRECTORS SHALL BE ELECTED BY THE MEMBERS OF THE SOCIETY IN ACCORDANCE WITH THE ARTICLES OF INCORPORATION AND BYLAWS.

[[ (B) AT LEAST SEVEN]] THE BYLAWS SHALL PROVIDE THAT: (1) NOT MORE THAN FIVE MEMBERS OF THE BOARD OF DIRECTORS SHALL BE LICENSED PHYSICIANS AND AT LEAST TWO OF THE DIRECTORS SHALL HAVE HAD [[INSURANCE ADMINISTRATIVE EXPERIENCE FOR FIVE YEARS OR MORE]] SUBSTANTIAL EXPERIENCE AS AN OFFICER OR EMPLOYEE OF AN INSURER; AND (2) THE BOARD OF DIRECTORS SHALL CONSIST OF PERSONS WHO LIVE IN VARIOUS AND DIFFERENT GEOGRAPHICAL AREAS THROUGHOUT THE STATE.

[[ (C) ]] (B) WITHIN 30 DAYS OF THEIR APPOINTMENT BY THE GOVERNOR, THE INITIAL BOARD OF DIRECTORS SHALL CAUSE ARTICLES OF INCORPORATION AND BYLAWS TO BE PREPARED AND FILED IN ACCORDANCE WITH THE LAW OF CORPORATIONS (ARTICLE 23) AND THE INSURANCE CODE (ARTICLE 48A) OF THE CODE, INCLUDING THE PROVISIONS OF THIS SUBTITLE.

[[ (D) ]] (C) UPON APPROVAL OF APPLICATION FOR THE CERTIFICATE OF AUTHORITY THE COMMISSIONER SHALL ISSUE THE CERTIFICATE AUTHORIZING THE SOCIETY TO ISSUE POLICIES OF CASUALTY INSURANCE AS FOLLOWS:

(1) INSURANCE AGAINST LIABILITY OF PHYSICIANS FOR INJURY ARISING OUT OF THE RENDERING OF OR FAILURE TO RENDER PROFESSIONAL SERVICES BY THE INSURED.

(2) INSURANCE AGAINST THE LIABILITY OF ANY PERSON FOR WHOSE ACTS OR OMISSIONS A PHYSICIAN IS RESPONSIBLE UNDER THE PROVISIONS OF PARAGRAPH (1), OR WITH WHOM HE IS ASSOCIATED, INCLUDING PARTNERS, EMPLOYEES, EMPLOYERS, ASSOCIATES, CONSULTANTS, OR A PROFESSIONAL SERVICE CORPORATION WHOSE STOCK IS OWNED BY AN INSURED.

(3) INSURANCE AGAINST OTHER LIABILITY FOR INJURY BY PERSONS EMPLOYED IN, BY PROPERTY USED IN, OR BY ACTIVITIES INCIDENTAL TO, THE PRACTICE OF MEDICINE BY THE NAMED INSURED, WHEN ISSUED AS INCIDENTAL COVERAGE WITH OR SUPPLEMENTAL TO INSURANCE SPECIFIED IN PARAGRAPH (1).

551. INITIAL POLICYHOLDERS SURPLUS, TAX AND MEMBERSHIP FEE

(A) PRIOR TO THE EXPIRATION OF 15 DAYS FROM THE EFFECTIVE DATE OF THIS ACT, THE BOARD OF MEDICAL EXAMINERS, AS ESTABLISHED BY THE HEALTH CODE (ARTICLE 43)