

551.

(A) WITHIN 30 DAYS FOLLOWING THE EFFECTIVE DATE OF THE ACT CREATING THIS SUBTITLE, THE GOVERNING COMMITTEE SHALL SUBMIT TO THE COMMISSIONER FOR HIS REVIEW A PROPOSED PROGRAM OF OPERATION, CONSISTENT WITH THE PROVISIONS OF THIS SUBTITLE, WHICH SHALL PROVIDE FOR ECONOMICAL, FAIR AND NONDISCRIMINATORY ADMINISTRATION AND WHICH SHALL CONTAIN OTHER MATTERS INCLUDING, BUT NOT LIMITED TO, PRELIMINARY ASSESSMENT OF ALL MEMBERS FOR INITIAL EXPENSES NECESSARY TO COMMENCE OPERATIONS, ESTABLISHMENT OF NECESSARY FACILITIES, EXPANDED MANAGEMENT OF THE ASSOCIATION, ASSESSMENT OF MEMBERS TO DEFRAY LOSSES AND EXPENSES, COMMISSION ARRANGEMENTS, REASONABLE AND OBJECTIVE UNDERWRITING STANDARDS, ACCEPTANCE AND CESSION OF REINSURANCE AND PROCEDURES FOR DETERMINING AMOUNTS OF INSURANCE TO BE PROVIDED. THE PROGRAM OF OPERATION SHALL BE SUBJECT TO APPROVAL BY THE COMMISSIONER AFTER CONSULTATION WITH AFFECTED INDIVIDUALS AND ORGANIZATIONS, AND SHALL TAKE EFFECT TEN DAYS AFTER HAVING BEEN APPROVED BY HIM. IF THE COMMISSIONER DISAPPROVES ALL OR ANY PART OF THE PROPOSED PROGRAM OF OPERATION, THE GOVERNING COMMITTEE SHALL WITHIN 30 DAYS SUBMIT FOR REVIEW AN APPROPRIATELY REVISED PLAN OF OPERATION OR PART THEREOF, AND, IF THE GOVERNING COMMITTEE FAILS TO DO SO, THE COMMISSIONER SHALL PROMULGATE A PROGRAM OF OPERATION.

(B) THE ASSOCIATION MAY, ON ITS OWN INITIATIVE, WITH THE APPROVAL OF THE COMMISSIONER, AMEND THE PROGRAM OF OPERATION; HOWEVER, AMENDMENTS TO THE PROGRAM OF OPERATION MUST BE VOTED ON AND APPROVED BY THE MEMBERS OF THE ASSOCIATION. VOTES SHALL BE CAST AND COUNTED ON A WEIGHTED BASIS IN ACCORDANCE WITH THE PREMIUMS WRITTEN OF EACH MEMBER. AN AMENDMENT TO THE PROGRAM OF OPERATION SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY AT LEAST A MAJORITY OF THE VOTES CAST ON SUCH WEIGHTED BASIS.

(C) THE COMMISSIONER MAY AUTHORIZE THE PROGRAM OF OPERATION TO CONTAIN PROVISIONS FOR A SPECIAL RESERVE FUND TO SUPPLEMENT FUNDS IN THE POOL AS A CONDITION OF OBTAINING COVERAGE. THE PROVISIONS RELATING TO THE SPECIAL RESERVE FUND SHALL BE SUBJECT TO THE COMMISSIONER'S APPROVAL. IF A SPECIAL RESERVE FUND IS ESTABLISHED, EACH INSURED MAY BE REQUIRED TO PAY AN ANNUAL CHARGE IN ADDITION TO THE ANNUAL PREMIUM, BASED ON AN APPROPRIATE PERCENTAGE OF THE PREMIUM FOR EACH POLICY. THE PROCEEDS FROM THIS ANNUAL CHARGE SHALL BE CREDITED TO THE SPECIAL RESERVE FUND. THIS PERCENTAGE SHALL BE ANNUALLY DETERMINED BY THE GOVERNING COMMITTEE, SUBJECT TO THE APPROVAL OF THE COMMISSIONER, AND SHALL BE BASED ON THE AMOUNT IN THE SPECIAL RESERVE FUND PLUS ANY REINSURANCE WHICH MAY BE AVAILABLE.