

COVERS A SPOUSE OR OTHER HOUSEHOLD MEMBER OF THE FAMILY OF THE POLICYHOLDER, THE CANCELLATION OF THE POLICY SHALL NOT CANCEL THE COVERAGE OF THE SPOUSE OR FAMILY MEMBER WHO HAS NOT HAD HIS OR HER DRIVING LICENSE SUSPENDED OR REVOKED, AND THE FUND SHALL RECLASSIFY THE RATE OF RISK OF THE SPOUSE OR FAMILY MEMBER FOR PREMIUM PURPOSES.

(2) IF THE ADMINISTRATOR DOES NOT SUSPEND OR REVOKE THE INSURED'S DRIVING LICENSE PURSUANT TO PARAGRAPH (1), THE EXECUTIVE DIRECTOR MAY NOT CANCEL OR REFUSE TO RENEW THE POLICY OF INSURANCE.

(3) THE EXECUTIVE DIRECTOR MAY REFER ANY OTHER MATTER CONCERNING ANY INSURED'S DRIVING RECORD TO THE ADMINISTRATOR FOR A DETERMINATION.

243M.

(A) THE INDUSTRY AUTOMOBILE INSURANCE ASSOCIATION IS CREATED. IT CONSISTS OF ALL INSURERS LICENSED TO WRITE MOTOR VEHICLE LIABILITY OR PHYSICAL DAMAGE INSURANCE IN THIS STATE ON A DIRECT BASIS EXCEPT THE MARYLAND AUTOMOBILE INSURANCE FUND. EACH SUCH INSURER SHALL BECOME AND REMAIN A MEMBER OF THE ASSOCIATION AS A CONDITION OF ITS AUTHORITY TO WRITE THIS INSURANCE IN MARYLAND.

(B) THE ASSOCIATION SHALL BE ADMINISTERED BY A BOARD OF DIRECTORS CONSISTING OF NINE PERSONS ELECTED ANNUALLY BY THE MEMBERS OF THE ASSOCIATION. THE BOARD SHALL INCLUDE TWO PERSONS NOMINATED BY THE AMERICAN INSURANCE ASSOCIATION, TWO PERSONS NOMINATED BY THE AMERICAN MUTUAL INSURANCE ALLIANCE, TWO PERSONS NOMINATED BY THE NATIONAL ASSOCIATION OF INDEPENDENT INSURERS, ONE PERSON ASSOCIATED WITH AN INSURER CHARTERED IN MARYLAND THAT IS NOT AFFILIATED WITH ANY OF THOSE THREE GROUPS, AND TWO PERSONS WHO ARE NOT AFFILIATED WITH A MEMBER COMPANY OF ANY OF THOSE THREE GROUPS OR WITH THE DOMESTIC INSURER OTHERWISE REPRESENTED ON THE BOARD. IF ANY ONE OR MORE OF THE THREE GROUPS FAIL TO SUBMIT NOMINEES AT LEAST TEN DAYS PRIOR TO THE DATE OF THE ELECTION, THE REQUIREMENT THAT TWO DIRECTORS BE FROM AMONG NOMINEES OF THAT GROUP NEED NOT BE COMPLIED WITH FOR THAT YEAR.

(C) THE BOARD OF DIRECTORS, ON OR BEFORE SEPTEMBER 1, 1976, AND EACH FOUR YEARS THEREAFTER, SHALL SELECT FIVE PERSONS TO SERVE AS MEMBERS OF THE BOARD OF TRUSTEES OF THE MARYLAND AUTOMOBILE INSURANCE FUND. THESE PERSONS SHALL SERVE AS TRUSTEES FOR A TERM OF FOUR YEARS COMMENCING SEPTEMBER 1 AND UNTIL THEIR SUCCESSORS ARE CHOSEN AND QUALIFY. IF A VACANCY OCCURS ON THE BOARD OF TRUSTEES OF THE FUND BECAUSE A PERSON REPRESENTING THE ASSOCIATION CEASES TO BE A TRUSTEE, THE BOARD OF DIRECTORS SHALL APPOINT A SUCCESSOR TO FILL THE VACANCY FOR THE UNEXPIRED TERM.

(D) THE BOARD OF DIRECTORS SHALL RECEIVE FROM THE MARYLAND AUTOMOBILE INSURANCE FUND THE CERTIFICATION OF