

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) (1) 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.

(2) THE COMMISSIONER MAY AMEND THE PROGRAM OF OPERATION, AFTER NOTICE AND AN OPPORTUNITY TO BE HEARD TO THE ASSOCIATION, PURSUANT TO THE PROVISIONS OF THIS ARTICLE.

(C) THE PROGRAM OF OPERATION FOR EACH SUBPOOL SHALL CONTAIN PROVISION FOR A RATE STABILIZATION RESERVE FUND. EACH POLICYHOLDER OF EACH SUBPOOL SHALL PAY A STABILIZATION RESERVE FUND CHARGE TO THE SAME ACCOUNT INTO WHICH HIS PREMIUM IS CREDITED. THIS CHARGE SHALL BE SEPARATELY STATED IN THE POLICY. THE POLICY OF ANY POLICYHOLDER WHO FAILS TO PAY THE STABILIZATION RESERVE FUND CHARGE SHALL BE CANCELLED. THE STABILIZATION RESERVE FUND CHARGE SHALL CONTINUE UNTIL SUCH TIME AS THE NET BALANCE OF THE STABILIZATION RESERVE FUND FOR EACH SUBPOOL IS NOT LESS THAN THE PROJECTED SUM OF PREMIUMS TO BE WRITTEN IN THE YEAR FOLLOWING THE VALUATION DATE. THE FUND SHALL BE CREDITED WITH ALL THE RESERVE FUND CHARGES COLLECTED FROM POLICYHOLDERS, AND IN ANY YEAR THE SUBPOOL SUSTAINS AN OPERATING LOSS BE CHARGED WITH THE LOSS.

(D) THE PROGRAM OF OPERATION OF EACH SUBPOOL SHALL CONTAIN A PROVISION AUTHORIZING THE DIRECT RECOUPMENT BY MEMBERS OF THE JOINT INSURANCE ASSOCIATION FROM THE POLICYHOLDERS OF THE SUBPOOL OF ANY ASSESSMENT REQUIRED TO BE MADE BY THE MEMBERS INTC OR ON BEHALF OF THE