

SURPLUS--FUND--OF--THE--COMPANY--ALONG--WITH--OTHER--PREMIUM--AND--LOSS RESERVES--THE--FUND--SHALL--BE--ADMINISTERED--AND--VALUED--ANNUALLY--BY 3--DIRECTORS--OF--THE--COMPANY,--TOGETHER--WITH--THE--COMMISSIONER--OR--THE COMMISSIONER'S--DEPUTY--

{B}--EACH--POLICYHOLDER--MEMBER--OF--THE--COMPANY--SHALL--PAY--TO THE--COMPANY--A--STABILIZATION--RESERVE--FUND--CHARGE--THE--DIRECTORS--OF THE--COMPANY--SHALL--DETERMINE--THE--AMOUNT--OF--THE--STABILIZATION RESERVE--FUND--CHARGE--THIS--CHARGE--SHALL--BE--SEPARATELY--STATED--IN THE--POLICY--THE--COMPANY--SHALL--CANCEL--THE--POLICY--OF--ANY POLICYHOLDER--WHO--FAILS--TO--PAY--THE--STABILIZATION--RESERVE--FUND CHARGE--

{C}--COLLECTION--OF--THE--STABILIZATION--RESERVE--FUND--CHARGE SHALL--CONTINUE--UNTIL--SUCH--TIME--AS--THE--NET--BALANCE--OF--THE STABILIZATION--RESERVE--FUND--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--RESERVE--FUND--CHARGES COLLECTED--FROM--POLICYHOLDERS--AND,--IN--ANY--YEAR--THE--COMPANY SUSTAINS--AN--OPERATING--LOSS,--BE--CHARGED--WITH--THE--LOSS--

{D}--EACH--POLICYHOLDER--MEMBER--SHALL--BE--SUBJECT--TO--ASSESSMENT AS--PROVIDED--IN--§§--6-509,--6-510,--AND--6-511--OF--THE--CORPORATIONS--AND ASSOCIATIONS--ARTICLE,--EXCEPT--THAT--

{1}--THE--AMOUNT--OF--ALL--ASSESSMENTS--MAY--NOT--EXCEED--A FULL--YEAR'S--PREMIUM--CALCULATED--AS--OF--THE--POLICY--ANNIVERSARY--NEXT PRECEDING--THE--TIME--OF--ASSESSMENT--

{2}--THE--AMOUNT--SPECIFIED--IN--PARAGRAPH--{1}--OF--THIS SUBSECTION--SHALL--BE--FURTHER--REDUCED--IN--THE--PROPORTION--THAT--THE PERCENTAGE--OF--THE--NET--BALANCE--OF--THE--STABILIZATION--RESERVE--FUND AT--THE--TIME--OF--ASSESSMENT--BEARS--TO--\$5,000,000--

{3}--UPON--THE--COMMISSIONER'S--APPROVAL,--THE--ASSESSABLE LIABILITY--OF--THE--MEMBER--POLICYHOLDERS--NOT--IN--EXCESS--OF--5--PERCENT OF--1--YEAR'S--ANNUAL--PREMIUM--MAY--BE--EXTINGUISHED--

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{A}--THE--TERMS--AND--CONDITIONS--OF--ALL--POLICIES--ISSUED--BY--THE COMPANY--TO--PHYSICIANS--SHALL--BE--ESSENTIALLY--UNIFORM--IN--TERMS--AND COVERAGE--

{B}--NOTWITHSTANDING--THE--PROVISIONS--OF--SUBSECTION--(A)--OF THIS--SECTION,--THE--COMPANY--MAY--PRESCRIBE--REASONABLE CLASSIFICATIONS--OF--PHYSICIANS--AND--INSURED--ACTIVITIES--AND EXPOSURES--BASED--ON--GOOD--FAITH--DETERMINATION--OF--RELATIVE--EXPOSURES AND--HAZARDS--AMONG--CLASSIFICATIONS--AND--MAY--VARY--THE--LIMITS, COVERAGES,--EXCLUSIONS,--CONDITIONS,--AND--LOSS--SHARING--PROVISIONS AMONG--CLASSIFICATIONS--ADDITIONALLY,--THE--COMPANY--MAY--PRESCRIBE, IN--THE--CASE--OF--AN--INDIVIDUAL--PHYSICIAN--WITHIN--A--CLASS,--REASONABLE VARIATIONS--IN--THE--TERMS--OF--COVERAGE--INCLUDING,--BUT--NOT--LIMITED TO,--DEDUCTIBLES--AND--LOSS--SHARING--PROVISIONS,--BASED--UPON--THE INSURED'S--PRIOR--LOSS--EXPERIENCE--