

THOSE SEPARATE TRANSACTIONS IS TO AVOID THE STATUTORY THRESHOLD AMOUNT AND THUS AVOID THE REVIEW THAT WOULD OCCUR OTHERWISE.

(2) IF THE COMMISSIONER DETERMINES THAT SUCH SEPARATE TRANSACTIONS WERE ENTERED INTO DURING ANY 12-MONTH PERIOD FOR SUCH PURPOSE, HE MAY EXERCISE HIS AUTHORITY UNDER § 500 OF THIS ARTICLE.

(E) THE COMMISSIONER, IN REVIEWING TRANSACTIONS UNDER SUBSECTION (C) OF THIS SECTION, SHALL CONSIDER:

(1) WHETHER THE TRANSACTIONS COMPLY WITH THE STANDARDS SET FORTH IN SUBSECTION (A) OF THIS SECTION; AND

(2) WHETHER THE TRANSACTIONS MAY ADVERSELY AFFECT THE INTERESTS OF POLICYHOLDERS.

(F) THE COMMISSIONER SHALL BE NOTIFIED WITHIN 30 DAYS OF ANY INVESTMENT OF A DOMESTIC INSURER IN ANY ONE CORPORATION IF THE TOTAL INVESTMENT IN SUCH CORPORATION BY THE INSURANCE HOLDING COMPANY SYSTEM EXCEEDS 10 PERCENT OF THE CORPORATION'S VOTING SECURITIES.

(G) NOTHING IN THIS SECTION SHALL BE DEEMED TO AUTHORIZE OR PERMIT ANY TRANSACTIONS WHICH, IN THE CASE OF AN INSURER, NOT A MEMBER OF THE SAME HOLDING COMPANY SYSTEM, WOULD BE OTHERWISE CONTRARY TO LAW.

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(b) For the purpose of this section, extraordinary dividend or distribution includes any dividend or distribution of cash or other property, BUT NOT INCLUDING PRO RATA DISTRIBUTIONS OF ANY CLASS OF THE INSURER'S OWN SECURITY, whose fair market value together with that of other dividends or distributions made within the preceding twelve months exceed the greater of:

(1) (I) [Ten (10)] 10 percent, except for insurance subsidiaries of the Medical Mutual Liability Insurance Society of Maryland (Article 48A, Subtitle 36 of the Code) which shall be [five (5)] 5 percent, of the insurer's surplus as regards policyholders as of the 31st day of December next preceding[,] IF THE REMAINING SURPLUS AS REGARDS POLICYHOLDERS AFTER PAYMENT OF ANY SUCH DIVIDEND WILL BE LESS THAN THE SUM OF \$10,000,000 PLUS 10 PERCENT OF THE INSURER'S ADMITTED ASSETS; OR

(II) 25 PERCENT OF THE INSURER'S SURPLUS AS REGARDS POLICYHOLDERS AS OF THE 31ST DAY OF DECEMBER NEXT PRECEDING, IF THE REMAINING SURPLUS AS REGARDS POLICYHOLDERS AFTER PAYMENT OF ANY SUCH DIVIDEND WILL BE EQUAL TO OR GREATER THAN THE SUM OF \$10,000,000 PLUS 10 PERCENT OF THE INSURER'S ADMITTED ASSETS; or

(2) (I) [The] FROM JULY 1, 1986 TO DECEMBER 31, 1987, THE net gain from operation of the insurer, if the insurer is a