

(2) [It is] IS in compliance with Title 2, Subtitle 6 of the Corporations and Associations Article; [and]

(3) [The plan or procedure provides] PROVIDES that no part of the assets or surplus of the nonprofit health service plan will inure directly or indirectly to any officer or director of the corporation;

(4) IS APPROVED BY AT LEAST TWO-THIRDS OF THE CORPORATION'S CERTIFICATE HOLDERS WHO HAVE VOTED ON THE PLAN OR PROCEDURE:

(I) IN PERSON, BY PROXY, OR BY MAIL; AND

(II) PURSUANT TO THE REQUIREMENTS APPROVED BY THE COMMISSIONER REGARDING NOTICE AND PROCEDURE; AND

(5) ENSURES THAT THE RESULTING STOCK HEALTH INSURER WILL POSSESS SURPLUS IN AN AMOUNT SUFFICIENT TO:

(I) COMPLY WITH THE SURPLUS REQUIRED UNDER THIS ARTICLE FOR A STOCK HEALTH INSURER; AND

(II) PROVIDE FOR THE SECURITY OF THE RESULTING STOCK HEALTH INSURER'S CERTIFICATE HOLDERS AND POLICYHOLDERS.

(c) Any corporation that becomes a for-profit insurer under this section may not be deemed to have abandoned its corporate status by virtue of the conversion, unless the plan provides specifically to the contrary.

(d) The certificate of authority, agent appointments, forms, and other filings which are in existence at the time of the conversion shall continue in full force and effect upon conversion if the corporation at all times remains qualified to engage in business in this State.

(e) All outstanding contracts of the converting corporation shall remain in full force and effect and need not otherwise be endorsed unless ordered by the Commissioner.

(f) The Commissioner may conduct a hearing concerning the proposed conversion of a nonprofit health services corporation into a for-profit STOCK HEALTH insurer.

(G) THIS SECTION DOES NOT APPLY TO THE CONVERSION OF A CORPORATION LICENSED UNDER THIS SUBTITLE TO A STOCK HEALTH INSURER THAT RESULTS FROM A JUDICIAL ORDER ISSUED PURSUANT TO A REHABILITATION OR REORGANIZATION OF THE CORPORATION UNDER SUBTITLE 10 OF THIS ARTICLE.

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(A) A CORPORATION THAT IS INCORPORATED UNDER THE LAWS OF THIS STATE AND SUBJECT TO THIS SUBTITLE MAY CONVERT TO A MUTUAL HEALTH INSURER SUBJECT TO THE PROVISIONS OF THIS ARTICLE UNDER A PLAN AND PROCEDURE APPROVED BY THE COMMISSIONER.