

(2) RENEW A POLICY THAT IS RENEWABLE AT THE OPTION OF THE MUTUAL INSURER WITHOUT ENDORSING THE POLICY TO PROVIDE FOR THE CONTINGENT LIABILITY OF THE POLICYHOLDER.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 262 and 263.

In subsections (a), (e), and (f) of this section, the references to "nonassessable" policies are substituted for the former references to policies without "contingent liability" for consistency with subsections (b) and (c) of this section.

In subsection (d) of this section, the reference to the "domestic mutual insurer" is substituted for the former reference to the "insurer" for consistency.

In subsections (e) and (f) of this section, the references to a "mutual insurer" are substituted for the former references to an "insurer" to clarify that the provisions of those subsections apply to mutual insurers.

Defined terms: "Alien insurer" § 1-101

"Commissioner" § 1-101

"Domestic insurer" § 1-101

"Foreign insurer" § 1-101

"Insurance business" § 1-101

"Mutual insurer" § 1-101

"Policy" § 1-101

"Stock insurer" § 1-101

### 3-114. PARTICIPATING POLICIES.

#### (A) IN GENERAL.

A DOMESTIC STOCK INSURER OR DOMESTIC MUTUAL INSURER MAY:

(1) ISSUE ANY OR ALL OF ITS POLICIES WITH OR WITHOUT PARTICIPATION IN PROFITS, SAVINGS, OR UNABSORBED PARTS OF PREMIUMS;

(2) CLASSIFY POLICIES ISSUED ON A PARTICIPATING AND NONPARTICIPATING BASIS; AND

(3) DETERMINE THE RIGHT TO PARTICIPATE AND THE EXTENT OF PARTICIPATION OF ANY CLASS OF POLICIES.

#### (B) STANDARDS FOR CLASSIFICATION OR DETERMINATION.

THE CLASSIFICATION OF POLICIES OR DETERMINATION OF PARTICIPATION UNDER SUBSECTION (A) OF THIS SECTION SHALL BE REASONABLE AND MAY NOT DISCRIMINATE UNFAIRLY BETWEEN POLICYHOLDERS WITHIN THE SAME CLASSIFICATIONS.

#### (C) LIFE INSURER.