

(6) THE FUND SHALL BE CREDITED WITH ALL FUND CHARGES COLLECTED FROM POLICYHOLDERS AND, IN ANY YEAR IN WHICH THE SOCIETY HAS AN OPERATING LOSS, BE CHARGED WITH THE LOSS.

(E) POLICYHOLDERS SUBJECT TO ASSESSMENT.

(1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, EACH POLICYHOLDER IS SUBJECT TO ASSESSMENT AS PROVIDED IN §§ 3-110, 3-111, AND 3-112 OF THIS ARTICLE.

(2) THE AMOUNT OF ALL ASSESSMENTS:

(I) MAY NOT EXCEED THE PREMIUM FOR A FULL YEAR CALCULATED AS OF THE POLICY ANNIVERSARY IMMEDIATELY PRECEDING THE TIME OF ASSESSMENT; AND

(II) SHALL BE REDUCED IN THE PROPORTION THAT THE PERCENTAGE OF THE NET BALANCE OF THE FUND AT THE TIME OF ASSESSMENT BEARS TO \$5,000,000.

(3) WITH THE APPROVAL OF THE COMMISSIONER, THE ASSESSABLE LIABILITY OF POLICYHOLDERS THAT DOES NOT EXCEED 5% OF THE ANNUAL PREMIUM MAY BE EXTINGUISHED.

(F) NONASSESSABLE POLICIES.

IF THE SOCIETY MEETS ALL APPLICABLE REQUIREMENTS OF THIS ARTICLE ABOUT THE SALE OF NONASSESSABLE POLICIES, INCLUDING THE REQUIREMENTS OF §§ 4-104, 4-105, AND 4-106 OF THIS ARTICLE, THE SOCIETY MAY ISSUE NONASSESSABLE POLICIES SUBJECT TO:

- (1) § 3-113 OF THIS ARTICLE;
- (2) ALL OTHER APPLICABLE PROVISIONS OF THIS ARTICLE; AND
- (3) THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

REVISOR'S NOTE: Subsection (a)(1) of this section is new language added as the standard introductory language of a definition subsection.

Subsection (a)(2) of this section is new language added to avoid repetition of the full title of the Rate Stabilization Reserve Fund throughout this section.

Subsection (a)(3) of this section is new language added to avoid repetition of the full phrase "Rate Stabilization Reserve Fund charge" throughout this section.

Subsections (b) through (f) of this section are new language derived without substantive change from former Art. 48A, § 571.

In subsections (d)(1) and (e)(1) and (3) of this section, the former references to each policyholder "member" and "member" policyholders are deleted as redundant. Each "policyholder" is also a "member" of the Society.