

(ii) to apply on the purchase of proposed capital stock the amount of the policyholder's equity in the insurer as determined under item ~~(4)~~ (5) of this subsection;

~~(7)~~ (8) stock is offered to policyholders at a price that is not greater than the price at which the stock will be offered to others in the initial offering, but that is not more than double the par value of the stock;

~~(8)~~ (9) the plan provides for payment to each policyholder who elects not to apply the policyholder's equity in the insurer for or on the purchase price of stock to which the policyholder is preemptively entitled, in cash in an amount that equals not less than 50% of the amount of the policyholder's equity that was not used for the purchase of stock, and which payment, together with any stock purchased, constitutes full payment and discharge of the policyholder's equity as an owner of the insurer; and

~~(9)~~ (10) the completed plan provides that the converted insurer will have:

(i) paid-in capital stock equal to not less than the minimum paid-in capital required of a domestic stock insurer that transacts like kinds of insurance business; and

(ii) surplus funds equal to not less than 100% of the required capital.

(C) WITHIN 60 DAYS OF THE FILING OF A PLAN THAT CONTAINS ALL OF THE INFORMATION REQUIRED UNDER THIS SECTION AND ANY REGULATIONS ADOPTED UNDER THIS SECTION, THE COMMISSIONER SHALL APPROVE OR DISAPPROVE THE PLAN.

(D) AT THE EXPENSE OF THE MUTUAL INSURER, THE COMMISSIONER MAY RETAIN ANY QUALIFIED EXPERT WHO IS NOT A PART OF THE STAFF OF THE COMMISSIONER TO ASSIST IN REVIEWING THE PLAN.

(E) AFTER WRITTEN NOTICE TO THE MUTUAL INSURER AND ANY OTHER INTERESTED PERSON, THE COMMISSIONER MAY HOLD A HEARING ON WHETHER THE TERMS OF THE PLAN COMPLY WITH THIS SECTION.

(F) (1) IF A MUTUAL INSURER IS INSOLVENT OR, IN THE JUDGMENT OF THE COMMISSIONER, IS IN A HAZARDOUS FINANCIAL CONDITION, THE BOARD OF DIRECTORS OF THE MUTUAL INSURER, BY A MAJORITY VOTE, MAY REQUEST BY A PETITION, AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THAT THE COMMISSIONER WAIVE THE REQUIREMENTS CONCERNING NOTICE TO, AND APPROVAL BY, POLICYHOLDERS OF THE PLANNED CONVERSION.

(2) THE PETITION BY THE BOARD OF DIRECTORS SHALL SPECIFY:

(I) THE METHOD AND BASIS FOR ISSUANCE OF THE SHARES OF CAPITAL STOCK OF THE CONVERTED STOCK INSURER TO AN INDEPENDENT PARTY IN CONNECTION WITH AN INVESTMENT BY THE INDEPENDENT PARTY IN AN AMOUNT SUFFICIENT TO RESTORE THE CONVERTED STOCK INSURER TO SOUND FINANCIAL CONDITION; AND