

(II) IF THE COMMISSIONER FINDS THAT THE VALUE OF THE MUTUAL INSURER IS INSUFFICIENT TO WARRANT FINANCIAL CONSIDERATION, THAT THE CONVERSION SHALL BE ACCOMPLISHED WITHOUT FINANCIAL CONSIDERATION TO PAST, PRESENT, OR FUTURE POLICYHOLDERS.

(3) (I) BY WRITTEN ORDER, THE COMMISSIONER MAY WAIVE THE REQUIREMENTS OF SUBSECTION (B)(2) OF THIS SECTION IF THE COMMISSIONER FINDS THAT THE MUTUAL INSURER NO LONGER MEETS STATUTORY REQUIREMENTS WITH RESPECT TO CAPITAL, SURPLUS, DEPOSITS, OR ASSETS.

(II) ANY FINDING THAT RESULTS IN A WAIVER UNDER THIS PARAGRAPH SHALL BE MADE AFTER:

1. REVIEW OF THE PLAN; AND

2. A. AN AUDIT OF THE MUTUAL INSURER'S QUARTERLY OR ANNUAL FINANCIAL STATEMENT; OR

B. A FINANCIAL EXAMINATION OF THE MUTUAL INSURER.

(G) THE COMMISSIONER MAY ADOPT REGULATIONS TO ENFORCE THE PROVISIONS OF THIS SECTION.

~~SUBTITLE 4. INSURANCE COMPANY MUTUAL TO STOCK CONVERSION.~~

~~3-401.~~

~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED:~~

~~(B) "CONVERTED STOCK COMPANY" MEANS A DOMICILED STOCK INSURANCE COMPANY THAT CONVERTED FROM A DOMICILED MUTUAL INSURANCE COMPANY UNDER THIS SUBTITLE.~~

~~(C) (1) "ELIGIBLE MEMBER" OR "MEMBER" MEANS A MEMBER OF A MUTUAL COMPANY WHOSE POLICY IS IN FORCE ON THE DATE ON WHICH THE BOARD OF DIRECTORS ADOPTS A PLAN OF CONVERSION UNDER THIS SUBTITLE.~~

~~(2) "ELIGIBLE MEMBER" OR "MEMBER" DOES NOT INCLUDE:~~

~~(I) A PERSON INSURED UNDER A GROUP POLICY; OR~~

~~(II) A PERSON WHOSE POLICY BECOMES EFFECTIVE AFTER THE BOARD OF DIRECTORS ADOPTS THE PLAN BUT BEFORE THE PLAN'S EFFECTIVE DATE AND WHO RESCINDS THE POLICY UNDER § 3-403 OF THIS SUBTITLE.~~

~~(D) "PARTICIPATING POLICY" MEANS A POLICY THAT GRANTS A HOLDER THE RIGHT TO RECEIVE DIVIDENDS IF, AS, AND WHEN DECLARED BY THE MUTUAL COMPANY.~~

~~(E) "PLAN" MEANS A PLAN ADOPTED BY THE BOARD OF DIRECTORS OF A MUTUAL COMPANY UNDER THIS ARTICLE TO CONVERT THE MUTUAL COMPANY INTO A STOCK COMPANY.~~