

(2) if the [member] OWNER does not pay the [member's] OWNER'S share of the deficiency, that share [is]:

(I) SHALL STAND AS an indebtedness against the [member's] certificate and is subject to interest not exceeding [5% per year compounded annually] THE RATE SPECIFIED FOR CERTIFICATE LOANS UNDER THE CERTIFICATE; OR

(II) INSTEAD OF OR IN COMBINATION WITH ITEM (I) OF THIS PARAGRAPH, THE OWNER OF THE CERTIFICATE MAY ACCEPT A PROPORTIONATE REDUCTION IN BENEFITS UNDER THE CERTIFICATE.

(B) THE SOCIETY MAY SPECIFY THE MANNER OF THE ELECTION AND WHICH ALTERNATIVE IS TO BE PRESUMED IF NO ELECTION IS MADE.

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(a) Except as otherwise provided in this section, a person must obtain a certificate of qualification issued under Part V of this subtitle before the person acts as a fraternal benefit agent in the State.

(b) Subsection (a) of this section does not apply to a regular salaried officer or employee of a licensed society who:

(1) devotes substantially all of the officer's or employee's services to activities other than soliciting insurance contracts; and

(2) does not receive, for soliciting insurance contracts, a commission or other compensation that is directly dependent on the amount of business obtained.

(c) (1) Subsection (a) of this section does not apply to a fraternal benefit agent or representative of a society that devotes, or intends to devote, less than 50% of the person's time to soliciting and procuring insurance contracts for the society.

(2) For the purposes of paragraph (1) of this subsection, a person is presumed to be devoting, or intending to devote, 50% or more of the person's time to soliciting or procuring insurance contracts for a society if, in the preceding calendar year, the person has solicited and procured:

[(i) life insurance contracts on behalf of the society in an amount of insurance exceeding \$50,000; or

(ii) any kind of insurance on the persons of more than 25 individuals for which the person has received or will receive a commission or other compensation.]

(I) LIFE INSURANCE CONTRACTS THAT, IN THE AGGREGATE, EXCEED \$200,000 OF COVERAGE FOR ALL LIVES INSURED FOR THE PRECEDING CALENDAR YEAR;

(II) A PERMANENT LIFE INSURANCE CONTRACT OFFERING MORE THAN \$10,000 OF COVERAGE ON AN INDIVIDUAL LIFE;

(III) A TERM LIFE INSURANCE CONTRACT OFFERING MORE THAN \$50,000 OF COVERAGE ON AN INDIVIDUAL LIFE;