

parties to the agreement. Insurers merging or consolidating under this section shall enter into a written agreement prescribing the terms and conditions of the merger and setting forth the name of the surviving company and its amended certificate of incorporation which shall contain the provisions required by this article respecting the organization of a mutual insurer. Such agreement shall be approved by the vote of a majority of the board of directors of each company and such agreement shall be submitted to a meeting of members and approved by the votes of at least two thirds of those members of each company who [are present and voting at the meeting] VOTE ON THE PLAN IN PERSON, BY PROXY, OR BY MAIL. Notice shall be mailed to the members of the company not less than twenty days before the date of the meeting of the time, place and purpose of the meeting or in lieu thereof, notice shall be published at least once a week for three successive weeks in some newspaper printed in the county in which the company has its principal office and in addition thereto, in some newspaper printed in either of the two largest cities in each state in which the company shall be licensed to do business.

Such agreement, executed under corporate seal by officers of the company authorized for the purpose, and with evidence of its adoption shall be submitted to the Commissioner. If it appears that the requirements of this section have been complied with, the Commissioner shall so certify and approve the agreement by his endorsement thereon. One of the duplicates shall thereupon be filed in his office and the other duplicate shall be delivered to the continuing company.

493.

(D) SUBJECT TO THE APPROVAL OF THE COMMISSIONER AND TO THE PROVISIONS OF THE SUBTITLE, A DOMESTIC MUTUAL INSURANCE COMPANY MAY ACQUIRE OR FORM A SUBSIDIARY INSURANCE HOLDING COMPANY.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Insurance

3-116.

(a) (1) (I) A director, officer, or member of a stock insurer [or mutual insurer] or any other person may lend or advance to the stock insurer [or mutual insurer] any money necessary to enable it to comply with a surplus requirement or any other requirement of law.

[(2)](II) Interest on the loan or advance TO A STOCK INSURER may not exceed 6% per year.

[(b)](2) A loan or advance UNDER THIS SUBSECTION and any interest on it:

[(1)](I) is payable only out of the surplus remaining after the stock insurer [or mutual insurer] provides for all reserves and other liabilities; and

[(2)](II) is not otherwise a liability or claim against the stock insurer [or mutual insurer] or any of its assets.