

In subsection (a)(1) of this section, the former phrase "under the provisions of this section" is deleted as surplusage.

Defined terms: "Policy" § 1-101  
"Reciprocal insurer" § 1-101  
"Subscriber" § 3-201

3-220. ADVANCES OF MONEY.

(A) SCOPE OF SECTION.

THIS SECTION DOES NOT APPLY TO BANK LOANS OR TO LOANS FOR WHICH SECURITY IS GIVEN.

(B) IN GENERAL.

THE ATTORNEY IN FACT OF A DOMESTIC RECIPROCAL INSURER OR ANOTHER PERSON MAY ADVANCE TO THE RECIPROCAL INSURER ON REASONABLE TERMS ANY MONEY THAT THE RECIPROCAL INSURER REQUIRES PERIODICALLY IN ITS OPERATIONS.

(C) ADVANCE NOT LIABILITY; WITHDRAWAL OR REPAYMENT OF ADVANCE.

(1) THE MONEY ADVANCED TO A RECIPROCAL INSURER:

(I) MAY NOT BE TREATED AS A LIABILITY OF THE RECIPROCAL INSURER; AND

(II) EXCEPT ON LIQUIDATION OF THE RECIPROCAL INSURER, MAY BE WITHDRAWN OR REPAYED ONLY OUT OF THE RECIPROCAL INSURER'S REALIZED EARNED SURPLUS IN EXCESS OF ITS MINIMUM REQUIRED SURPLUS.

(2) A WITHDRAWAL OR REPAYMENT MAY BE MADE ONLY WITH THE PREVIOUS APPROVAL OF THE COMMISSIONER.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 290.

Defined terms: "Commissioner" § 1-101  
"Person" § 1-101  
"Reciprocal insurer" § 1-101

3-221. MERGERS AND CONVERSIONS.

(A) IN GENERAL.

A DOMESTIC RECIPROCAL INSURER MAY MERGE WITH ANOTHER RECIPROCAL INSURER OR BE CONVERTED TO A STOCK INSURER OR MUTUAL INSURER IF:

(1) AT LEAST TWO-THIRDS OF THE SUBSCRIBERS WHO VOTE ON THE MERGER OR CONVERSION AFTER NOTICE VOTE IN FAVOR OF THE MERGER OR CONVERSION; AND

(2) THE COMMISSIONER APPROVES THE TERMS OF THE MERGER OR CONVERSION.