

(2) THE FOLLOWING RIGHTS AND OBLIGATIONS UNDER THE POLICY OF THE MUTUAL INSURER SHALL BE VOID AS OF THE EFFECTIVE DATE OF THE REORGANIZATION:

(I) VOTING RIGHTS OF POLICYHOLDERS;

(II) EXCEPT AS TO THE HOLDER OF A PARTICIPATING POLICY, A RIGHT OF A POLICYHOLDER TO SHARE IN THE SURPLUS OR PROFITS OF THE INSURER; AND

(III) ASSESSMENT PROVISIONS.

(3) A REORGANIZED STOCK INSURER SHALL CONTINUE TO PAY DIVIDENDS TO THE HOLDER OF A PARTICIPATING POLICY THAT WAS IN FORCE ON THE EFFECTIVE DATE OF THE REORGANIZATION, IN ACCORDANCE WITH THE METHODOLOGY OR FORMULA USED BY THE MUTUAL INSURER BEFORE THE REORGANIZATION.

(F) THE REORGANIZED STOCK INSURER SHALL HAVE:

(1) PAID-IN CAPITAL STOCK NOT LESS THAN THE MINIMUM PAID-IN CAPITAL REQUIRED OF A DOMESTIC STOCK INSURER THAT:

(I) TRANSACTS LIKE KINDS OF INSURANCE BUSINESS; AND

(II) STARTED BUSINESS IN THE STATE ON THE DATE THE MUTUAL INSURER RECEIVED ITS ORIGINAL CERTIFICATE OF AUTHORITY IN THE STATE; AND

(2) SURPLUS FUNDS NOT LESS THAN 100% OF THE REQUIRED CAPITAL.

(G) (1) THE PLAN OF REORGANIZATION SHALL BE:

(I) APPROVED BY THE VOTE OF A MAJORITY OF THE BOARD OF DIRECTORS OF THE MUTUAL INSURER; AND

(II) SUBMITTED TO A MEETING OF MEMBERS AND APPROVED BY THE VOTE OF AT LEAST THREE-FOURTHS OF THE MEMBERS WHO VOTE ON THE PLAN OF REORGANIZATION IN PERSON, BY PROXY, OR BY MAIL.

(2) NOTICE OF THE TIME, PLACE, AND PURPOSE OF THE MEETING OF MEMBERS SHALL BE PROVIDED IN THE MANNER APPROVED BY THE COMMISSIONER.

(H) THE PLAN OF REORGANIZATION SHALL BE SUBMITTED TO THE COMMISSIONER FOR APPROVAL AT LEAST 60 DAYS BEFORE THE EFFECTIVE DATE OF THE REORGANIZATION, TOGETHER WITH:

(1) THE PROPOSED ARTICLES OF INCORPORATION AND BYLAWS OF THE MUTUAL INSURANCE HOLDING COMPANY;

(2) THE AMENDMENTS TO THE ARTICLES OF INCORPORATION AND BYLAWS OF THE MUTUAL INSURER TO REORGANIZE AS A STOCK INSURER;