

(B) SUBJECT TO THE PROVISIONS OF THIS SECTION AND IN ACCORDANCE WITH A PLAN OF REORGANIZATION APPROVED BY THE COMMISSIONER, A MUTUAL INSURER MAY:

- (1) REORGANIZE AS A STOCK INSURER; AND
- (2) ESTABLISH A MUTUAL INSURANCE HOLDING COMPANY.

(C) A PLAN OF REORGANIZATION SHALL PROVIDE THAT:

(1) ALL OF THE INITIAL SHARES OF CAPITAL STOCK OF THE REORGANIZED STOCK INSURER SHALL BE ISSUED TO THE MUTUAL INSURANCE HOLDING COMPANY.

(2) THE MUTUAL INSURANCE HOLDING COMPANY SHALL OWN A MAJORITY OF:

(I) THE VOTING SHARES OF THE CAPITAL STOCK OF THE REORGANIZED STOCK INSURER; AND

(II) THE TOTAL MARKET VALUE OF ALL OUTSTANDING SHARES OF THE CAPITAL STOCK OF THE REORGANIZED STOCK INSURER.

(3) THE CLASS OF CAPITAL STOCK OWNED BY THE MUTUAL INSURANCE HOLDING COMPANY SHALL HAVE DIVIDEND RIGHTS NO LESS FAVORABLE THAN THE DIVIDEND RIGHTS OF ANY OTHER CLASS OF STOCK OF THE REORGANIZED STOCK INSURER, UNLESS:

(I) AT LEAST TWO-THIRDS OF THE BOARD OF DIRECTORS OF THE MUTUAL INSURANCE HOLDING COMPANY DETERMINES THAT SUCH A REQUIREMENT IS NOT IN THE BEST INTERESTS OF THE MEMBERS; AND

(II) THE DETERMINATION OF THE BOARD OF DIRECTORS IS APPROVED BY THE COMMISSIONER.

(4) IN AN INITIAL PUBLIC OFFERING OR INITIAL PRIVATE EQUITY PLACEMENT OF STOCK, EACH ELIGIBLE MEMBER OF THE MUTUAL INSURANCE HOLDING COMPANY SHALL RECEIVE, WITHOUT PAYMENT, NONTRANSFERABLE SUBSCRIPTION RIGHTS TO PURCHASE STOCK, UNLESS:

(I) AT LEAST TWO-THIRDS OF THE BOARD OF DIRECTORS OF THE MUTUAL INSURANCE HOLDING COMPANY DETERMINES THAT A SUBSCRIPTION RIGHTS OFFERING IS NOT IN THE BEST INTERESTS OF THE MEMBERS; AND

(II) THE DETERMINATION OF THE BOARD OF DIRECTORS IS APPROVED BY THE COMMISSIONER.

(5) (I) THE FOLLOWING INDIVIDUALS MAY NOT ACQUIRE, BY STOCK OPTION OR ANY OTHER MANNER, THE LEGAL OR BENEFICIAL OWNERSHIP OF ANY CLASS OF STOCK OF THE REORGANIZED STOCK INSURER FOR 6 MONTHS FROM THE DATE OF AN INITIAL PUBLIC OFFERING OR INITIAL PRIVATE EQUITY PLACEMENT: