

1. AN OFFICER OR DIRECTOR OF THE MUTUAL INSURANCE HOLDING COMPANY;
2. AN OFFICER OR DIRECTOR OF THE REORGANIZED STOCK INSURER; AND
3. ANY RELATIVE OF AN OFFICER OR DIRECTOR, WHO RESIDES WITH THE OFFICER OR DIRECTOR.

(II) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS PARAGRAPH, ANY INDIVIDUAL WHO IS A POLICYHOLDER OF THE REORGANIZED STOCK INSURER MAY EXERCISE SUBSCRIPTION RIGHTS IN ACCORDANCE WITH ~~SUBSECTION (C)(4) OF THIS SECTION~~ PARAGRAPH (4) OF THIS SUBSECTION.

(D) (1) EACH POLICYHOLDER OF THE REORGANIZED STOCK INSURER SHALL BE A MEMBER OF THE MUTUAL INSURANCE HOLDING COMPANY.

(2) ON THE EFFECTIVE DATE OF THE REORGANIZATION, THE MEMBERSHIP INTERESTS OF A POLICYHOLDER IN THE MUTUAL INSURER SHALL BECOME NONTRANSFERABLE MEMBERSHIP INTERESTS IN THE MUTUAL INSURANCE HOLDING COMPANY.

(3) THE PLAN OF REORGANIZATION SHALL PROVIDE THE TERMS AND CONDITIONS UNDER WHICH FUTURE POLICYHOLDERS OF THE REORGANIZED STOCK INSURER SHALL BECOME MEMBERS OF THE MUTUAL INSURANCE HOLDING COMPANY.

(4) AT LEAST TWO-THIRDS OF THOSE MEMBERS OF THE BOARD OF DIRECTORS OF THE MUTUAL INSURANCE HOLDING COMPANY WHO ARE ELIGIBLE OR QUALIFIED TO PURCHASE A POLICY FROM THE REORGANIZED STOCK INSURER, SHALL BE MEMBERS OF THE MUTUAL INSURANCE HOLDING COMPANY.

(E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH POLICY OF THE MUTUAL INSURER IN EFFECT ON THE EFFECTIVE DATE OF THE REORGANIZATION SHALL REMAIN IN EFFECT IN ACCORDANCE WITH ITS TERMS AND CONDITIONS.

(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