

(3) provides that none of the assets or surplus of the nonprofit health service plan will inure directly or indirectly to an officer or director of the corporation; and

(4) is approved by at least two-thirds of the corporation's certificate holders who have voted on the plan or procedure in person, by proxy, or by mail under the notice and procedure approved by the Commissioner;

(5) ensures that the resulting mutual health insurer will possess surplus in an amount sufficient to:

(i) comply with the surplus requirements under this article for a mutual health insurer; and

(ii) provide for the security of the resulting mutual health insurer's policyholders and certificate holders.

(d) A corporation that becomes a mutual health insurer under this section does not abandon its corporate status by converting, unless the plan specifically provides otherwise.

(e) If the corporation at all times remains qualified to engage in business in the State, the certificate of authority, agent appointments, forms, and other filings existing at the time of the conversion shall continue in effect after the conversion.

(f) All outstanding contracts of the converting corporation shall remain in effect and need not otherwise be endorsed unless ordered by the Commissioner.

(g) The Commissioner or designee of the Commissioner may conduct a hearing on the proposed conversion of a corporation subject to this subtitle into a mutual health insurer.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed only prospectively and may not be applied or interpreted to have any effect on or application to any acquisition completed or certificate of need or certificate of authority granted before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1998.

Approved April 28, 1998.

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SECTION ?. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1998.

Approved April 28, 1998.

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