In subsection (c)(5) of this section, the word "stock" is substituted for the former word "shares" and the reference to "objecting" stockholders is substituted for the former reference to "nonconsenting" stockholders to conform to language used in the Corporations and Associations Article.

Also in subsection (c)(5) of this section, the former word "private", which modified "corporations", is deleted as surplusage.

Defined terms: "Certificate of authority" § 1–101
"Commissioner" § 1–101
"Insurance" § 1–101
"Insurance business" § 1–101
"Insurer" § 1–101
"Life insurer" § 1–101
"Mutual insurer" § 1–101
"Policy" § 1–101
"State" § 1–101
"Stock insurer" § 1–101

3–121. CONVERSION OF MUTUAL INSURER TO STOCK INSURER.

(A) AUTHORIZED.

A DOMESTIC MUTUAL INSURER MAY BECOME A STOCK INSURER UNDER A PLAN AND PROCEDURE THAT IS APPROVED BY THE COMMISSIONER AFTER A HEARING.

(B) STANDARDS FOR APPROVAL.

THE COMMISSIONER MAY NOT APPROVE A PLAN OR PROCEDURE FOR CONVERSION OF A MUTUAL INSURER TO A STOCK INSURER UNLESS:

(1) THE PLAN OR PROCEDURE IS EQUITABLE TO THE INSURER'S MEMBERS;

(2) THE PLAN IS SUBJECT TO APPROVAL BY VOTE OF AT LEAST THREE–FOURTHS OF THE INSURER'S CURRENT MEMBERS WHO VOTE ON THE PLAN IN PERSON, BY PROXY, OR BY MAIL AT A MEETING OF MEMBERS CALLED FOR THAT PURPOSE UNDER REASONABLE NOTICE AND PROCEDURE APPROVED BY THE COMMISSIONER;

(3) FOR A LIFE INSURER, THE RIGHT TO VOTE MAY BE LIMITED TO MEMBERS WHO HOLD POLICIES, OTHER THAN TERM OR GROUP POLICIES, THAT HAVE BEEN IN FORCE FOR AT LEAST 1 YEAR;

(4) THE EQUITY OF EACH POLICYHOLDER IN THE INSURER:

(I) IS DETERMINABLE UNDER A FAIR FORMULA APPROVED BY THE COMMISSIONER; AND

(II) IS BASED ON NOT LESS THAN THE INSURER'S ENTIRE SURPLUS, MINUS CONTRIBUTED OR BORROWED SURPLUS FUNDS, PLUS A REASONABLE PRESENT EQUITY IN RESERVES AND IN ALL NONADMITTED ASSETS;