

§3364. Contingent liability of members

1. Except as provided otherwise in section 3367 with respect to nonassessable policies, each member of a domestic mutual insurer has a contingent liability, pro rata and not one for another, for the discharge of its obligations, which contingent liability may not be greater than 6 times the annual premium for the member's policy at the annual premium rate, as is specified in the insurer's articles of incorporation or bylaws.

[PL 2013, c. 299, §10 (AMD).]

2. Every policy issued by the insurer shall contain a plain and legible statement of the contingent liability upon either the face or back thereof.

[PL 1969, c. 132, §1 (NEW).]

3. Termination of the policy of any such member does not relieve the member of contingent liability for the member's proportion of the obligations of the insurer that accrued while the policy was in force.

[RR 2021, c. 1, Pt. B, §268 (COR).]

4. Unrealized contingent liability of members does not constitute an asset of the insurer in any determination of its financial condition.

[PL 1969, c. 132, §1 (NEW).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1981, c. 501, §45 (AMD). PL 2013, c. 299, §10 (AMD). RR 2021, c. 1, Pt. B, §268 (COR).

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