

Article - Insurance

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§8-446.

(a) Each society shall provide in its laws that:

(1) if the reserves of the society as to all or any class of certificates become impaired, the board of directors or equivalent body of the society may require that the owner of each certificate pay the amount of the owner's equitable proportion of the deficiency as determined by the board of directors or equivalent body and approved by the commissioner of the domiciliary state; and

(2) if the owner does not pay the owner's share of the deficiency, that share:

(i) shall stand as an indebtedness against the certificate and is subject to interest not exceeding the rate specified for certificate loans under the certificate; or

(ii) instead of or in combination with item (i) of this paragraph, the owner of the certificate may accept a proportionate reduction in benefits under the certificate.

(b) The society may specify the manner of the election and which alternative is to be presumed if no election is made.

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