§ 1211. Mutual insurance corporations; membership and dividends. (a) Every domestic mutual insurance corporation shall be organized, maintained and operated for the benefit of its members as a non-stock corporation. Every policyholder shall be a member of such corporation and shall, except as provided in subsection (d) hereof, be entitled to vote at any regular or special meeting of such corporation, to notice thereof pursuant to the by-laws and to share equitably in dividends declared by the board of directors. The board of directors may, subject to limitations in this chapter, from time to time declare a dividend from the corporation's surplus. No dividend shall be declared or paid if thereby the company's minimum or other required surplus will be impaired. In declaring and paying any dividend the board of directors may make reasonable classifications of policies, and shall declare and pay such dividend in a manner that is fair and equitable to the policyholders. Unless otherwise provided in the corporation's charter or by-laws, each member shall be entitled to one vote at any regular or special meeting. The charter or by-laws may, with the approval of the superintendent, provide for distribution of voting power among members on the basis of the amount of insurance held, number of policies held, amount of premiums paid by them or on any other basis the superintendent finds fair and equitable.

(b) A member of any such corporation may vote at any such meeting in person or by proxy. No proxy or power of attorney given by him, to vote at any meeting of such corporation, shall be valid or effective after the next meeting. No person shall directly or indirectly sell or purchase, or offer to sell or purchase, any proxy or power of attorney to vote at any such meeting, nor shall any person directly or indirectly give or receive, or offer to give or receive, any proxy or power of attorney to vote at any such meeting as an inducement to the negotiation or making of a contract of insurance or any renewal thereof, to the settlement of any claim thereunder, or to any other act relating thereto.

(c) All corporations, their directors and representatives and all persons, firms or corporations holding property in trust may insure the same in mutual insurance corporations and by so doing such directors, representatives or trustees, in their representative capacity, may assume the liabilities and be entitled to the rights of a member of such

insurer, but shall not be personally liable as individuals upon such contract of insurance.

(d) The provisions of this section as to members' voting rights and the election of directors shall not apply to any domestic mutual life insurance company governed by the provisions of section four thousand two hundred ten of this chapter, nor shall they require any such company to hold a meeting of its members.

(e) As to any surety or fidelity bond or like obligation executed by a mutual property/casualty insurance company as a surety or guarantor, the principal, and not the obligee, shall be a member of such corporation.