in lieu of revoking or suspending the certificate of authority of any company for failure to comply with any requirement of this subsection, the Commissioner may subject such company to a penalty of not more than $5,000 when in his judgment he finds that the public interest would be best served by the continued operation of the company in the District of Columbia.

(c) (1) Within sixty days following the effective date of the order of the Commissioner under this section the association shall submit to him a proposed plan of operation, consistent with the provisions of this Act, which shall provide for economical, fair, and nondiscriminatory administration of the association and for the prompt and efficient provision directly, through reinsurance, or both, of such basic property insurance as may be designated by the Commissioner without regard to environmental hazards, including, but not limited to, provisions concerning—

(A) preliminary assessment of all members for initial expenses necessary to commence operations;

(B) establishment of necessary facilities;

(C) management and operation of the association;

(D) assessment of members to defray losses and expenses;

(E) commission arrangements;

(F) reasonable underwriting standards; and

(G) such other matters as the Commissioner may designate.

(2) The plan of operation shall be subject to approval by the Commissioner in whole or in part. If the Commissioner disapproves all or any part of the proposed plan of operation, the association shall within thirty days thereafter submit for his review an appropriately revised plan of operation and, if the association fails so to do, or if the revised plan so filed is unacceptable to the Commissioner, the Commissioner shall promulgate a plan of operation.

(3) The association may, on its own initiative amend such plan, subject to approval by the Commissioner, and shall amend such plan at the direction of the Commissioner if he finds such action is necessary to carry out the purposes of this Act.

(d) All members of the association shall participate in its writings, expenses, profits, and losses, or in such categories thereof as may be separately established by the Association, subject to approval by the Commissioner, in the proportion that the premuims written by each such member (but excluding (1) premiums for insurance on automobiles and (2) that portion of premiums attributable to any insurance written directly by the association) during the preceding calendar year bear to the aggregate premiums written in the District of Columbia by all members of the association, or in accordance with such other formula as devised by the association, subject to approval by the Commissioner. Such participation by each insurer in the association shall be determined annually on the basis of such premiums written during the preceding calendar year as disclosed in the annual statements and other reports filed by the insurer with the Commissioner.

(e) The association shall be governed by a Board of eleven directors, elected annually by cumulative voting by the members of the association, whose votes in such election shall be weighted in accordance with the proportionate amount of each member's net direct premiums written in the District of Columbia during the preceding calendar year. The first board shall be elected at a meeting of the members or their authorized representatives, which shall be held within thirty days after the effective date of the order under this section establishing the association, at a time and place designated by the Commissioner.

EXAMINATION BY COMMISSIONER

SEC. 7. The operation of the inspection bureau, the industry placement facility, and any joint underwriting association shall at all times be subject to the supervision and regulation of the Commissioner. The Commissioner shall have the power of visitation of and examination into such operations and free access to all the books, records, files, papers, and documents that relate to such operations, may summon and quality witnesses under oath, and may examine directors, officers, agents, or employees or any other person having knowledge of such operations.

WAIVER OF LIABILITY

SEC. 8. There shall be no liability on the part of, and no cause of action of any nature shall arise against insurers, the inspection bureau, the industry placement