

304.24-390 Merger -- Consolidation of insurers.

- (1) A domestic insurer may merge or consolidate with one (1) or more domestic or foreign insurers, by complying with the applicable provisions of the statutes of this state governing the merger or consolidation of corporations formed for profit, but subject to subsections (2), (3), and (4) of this section.
- (2) No such merger or consolidation shall be effectuated unless in advance thereof the plan and agreement therefor have been filed with the commissioner and approved in writing by him or her after a hearing thereon. The commissioner shall give such approval within a reasonable time after such filing unless the commissioner finds such plan or agreement:
 - (a) Is contrary to law; or
 - (b) Inequitable to the stockholders or members of the insurers involved; or
 - (c) Would substantially reduce the security of and service to be rendered to policyholders of the domestic insurer in this state or elsewhere; or
 - (d) Would materially tend to lessen competition in the insurance business in this state or elsewhere as to the kinds of insurance involved, or would materially tend to create a monopoly as to such business; or
 - (e) Is subject to other material and reasonable objections.
- (3) No director, officer, agent or employee of any insurer party to such merger or consolidation, or member of the family of such director, officer, agent, or employee, shall receive any fee, commission, compensation or other valuable consideration whatsoever for in any manner aiding, promoting or assisting therein except as set forth in such plan or agreement.
- (4) If members of an insurer are entitled to vote, two-thirds (2/3) of the votes cast by such members of such insurer, as are represented at the meeting in person or by proxy, is necessary for the approval of any such agreement or plan.
- (5) If the commissioner does not approve any such plan or agreement he or she shall so notify the insurer in writing specifying his or her reasons therefor.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1343, effective July 15, 2010. -- Amended 1982 Ky. Acts ch. 272, sec. 1, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 256, sec. 1, effective July 15, 1980. -- Created 1970 Ky. Acts ch. 301, subtit. 24, sec. 39, effective June 18, 1970.