

304.37-555 Plan of reorganization.

The reorganizing or merging insurer shall file a plan of reorganization, approved by the affirmative vote of a majority of its board of directors, for review and approval by the commissioner. The plan shall provide the following:

- (1) Establishing a mutual insurance holding company with at least one (1) stock insurance company subsidiary or one (1) wholly owned intermediate holding company with a stock insurance subsidiary, the shares of which shall be held exclusively by the wholly owned intermediate holding company;
- (2) Protecting the immediate and long term interests of existing policyholders;
- (3) Ensuring immediate membership in the mutual insurance holding company of all existing policyholders of the reorganizing domestic mutual insurance company;
- (4) Providing for membership interest of future policyholders;
- (5) Describing the number of members of the board of directors of the mutual insurance holding company required to be policyholders;
- (6) Demonstrating that, in the event of proceedings under Subtitle 33 of KRS Chapter 304 involving a stock insurance company subsidiary of the mutual insurance holding company which resulted from the reorganization of a domestic mutual insurance company, the assets of the mutual insurance holding company will be available to satisfy the policyholder obligations of the stock insurance company;
- (7) Describing how any accumulation or prospective accumulation of earnings by the mutual insurance holding company, which is or would be in excess of that determined by the board of directors of the mutual insurance holding company to be necessary, shall inure to the exclusive benefit of the policyholders of its insurance company subsidiaries who are members;
- (8) Describing the nature and content of the annual report and financial statement to be sent to each member;
- (9) Describing the applicant's plan for a stock offering in accordance with the provisions of KRS 304.37-570; and
- (10) Describing other relevant matters the applicant deems appropriate.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1494, effective July 15, 2010. -- Created 1998 Ky. Acts ch. 546, sec. 12, effective July 15, 1998.