

## Article - Insurance

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§8-438.

(a) A society may consolidate or merge with another society as provided in this section.

(b) The society shall file with the Commissioner:

(1) a certified copy of the written contract that contains the terms and conditions of the consolidation or merger;

(2) a statement verified under oath by the president and secretary or equivalent officers of each society party to the contract that shows the financial condition of the society on a date set by the Commissioner, but not before December 31 preceding the date of the contract;

(3) a certificate verified under oath by the officers described in item (2) of this subsection that states that the consolidation or merger was approved by a two-thirds vote of the supreme legislative or governing body of each society; and

(4) evidence that, at least 60 days before the approval of the supreme legislative or governing body of each society, the text of the contract was mailed to each member of each society or was published in full in the official publication of that society.

(c) The affidavit of an officer of the society or an individual authorized by the society to mail a notice or document, stating that the text of the contract was properly addressed and mailed, is prima facie evidence that the text was provided to the addressee.

(d) The Commissioner shall approve the contract and issue a certificate of approval if the Commissioner finds that:

(1) the society has complied with the provisions of this section;

(2) the financial statements are correct; and

(3) the consolidation or merger is equitable to the members of each society party to the contract.

(e) (1) Unless a society party to the contract is incorporated under the laws of another state, the contract is effective on approval.

(2) If a society party to the contract is incorporated under the laws of another state, the consolidation or merger is not effective:

(i) until it is approved under the laws of the other state and a certificate of the approval is filed with the Commissioner; or

(ii) if the laws of the other state do not provide for approval, until it is approved by the insurance supervisory official of the other state and a certificate of the approval is filed with the Commissioner.

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