

Article - Insurance

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§7-306.

(a) A transaction subject to this subtitle may not be made unless, within 60 days after the statement required by § 7-304 of this subtitle is filed with the Commissioner or within any extension of that period, the Commissioner approves the transaction or does not disapprove the transaction.

(b) Subject to subsection (c) of this section, the Commissioner shall disapprove a proposed transaction subject to this subtitle if the Commissioner finds that:

(1) after the transaction, the domestic insurer could not satisfy the requirements for the issuance of a certificate of authority to engage in the insurance business which it intends to transact or is licensed to transact in the State, taking into consideration the financial and managerial resources and future prospects of the domestic insurer;

(2) the transaction may substantially lessen competition in insurance in the State or tend to create a monopoly;

(3) the financial condition of an acquiring person might jeopardize the financial stability of the domestic insurer or prejudice the interests of its policyholders or, in the case of an acquisition of control, the interests of any remaining stockholders who are unaffiliated with the acquiring person;

(4) the acquiring person has plans or proposals that are unfair or prejudicial to policyholders for liquidating the domestic insurer, selling its assets, merging it with another person, or making any other major change in its business or corporate structure or management;

(5) it would not be in the interest of policyholders, shareholders, or the public to allow the acquiring person to control the domestic insurer based on the competence, experience, and integrity of the persons that would control the operations of the domestic insurer;

(6) any party to an agreement to merge with a domestic insurer is not itself an insurer; or

(7) the interests of the domestic insurer's policyholders and stockholders might otherwise be prejudiced, impaired, or not properly protected.

(c) In disapproving a transaction based on a finding under subsection (b)(2) of this section:

(1) the Commissioner may not disapprove a transaction subject to this subtitle if the Commissioner finds that any of the situations meeting the criteria of

§ 7-405(b) of this title exist;

(2) the Commissioner may condition the approval of a transaction subject to this subtitle on the removal of the basis of disapproval under subsection (b)(2) of this section within a specified period of time; and

(3) the disapproval is subject to § 7-405(c) of this title and the informational requirements under § 7-403(c) of this title.

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