

CONSOLIDATION AND REINSURANCE

Footnotes

Securities to be deposited by foreign companies, § 508.20508.22, 515.70515.72

521.1 Definitions.

"Company" or *"companies"* when used in this chapter means a company or association organized under chapter 508, 511, 515, 518, 518A, or 520, and includes a mutual insurance holding company organized pursuant to section 521A.14.

[S13, § 1821-m; C24, 27, 31, 35, 39, § **9104**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.1]

89 Acts, ch 83, §75; 95 Acts, ch 185, §41

521.2 Life companies consolidation and reinsurance.

A company organized under the laws of this state to do the business of life insurance, either on the stock, mutual, stipulated premium, or assessment plan, shall not consolidate with any other company or reinsure its risks, or any part of such risks, with any other company, or assume or reinsure the whole or any part of the risks of any other company, except as provided in this chapter. However, this chapter shall not be construed to prevent any company, as defined in section 521.1, from reinsuring a fractional part of any single risk.

[S13, § 1821-n; C24, 27, 31, 35, 39, § **9105**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.2]

95 Acts, ch 185, §42

521.3 Submission of plan.

When any such company shall propose to consolidate or enter into any reinsurance contract with any other company, it shall present its plan to the commissioner of insurance, setting forth the terms of its proposed contract of consolidation or reinsurance, asking for the approval or any modification thereof, which the commission hereinafter provided for may approve. The company must also file a statement of its assets and if a legal reserve company, of the reserve value of its policies or contracts.

[S13, § 1821-o; C24, 27, 31, 35, 39, § **9106**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.3]

521.4 Procedure notice.

The commission shall proceed to hear and determine such petition, without notice. If the commission shall deem it necessary in order to conserve the interests of the policyholders that notice shall be given, it shall require the company or companies to notify, by mail, all of the members or policyholders of the said company or companies of the pendency of such petition, and the time and place at which the same will be heard, the length of time of such notice to be determined by the commission.

[S13, § 1821-p; C24, 27, 31, 35, 39, § **9107**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.4]

521.5 Commission to hear petition.

For the purpose of hearing and determining such petition, a commission consisting of the commissioner of insurance and attorney general is hereby created.

[S13, § 1821-q; C24, 27, 31, 35, 39, § 9108; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.5]

88 Acts, ch 1112, § 702

521.6 Examination.

The commission may make such examination into the affairs and condition of any company or companies as it may deem proper, and shall have power to summon and compel the attendance and testimony of witnesses, and the production of books and papers before said commission and may administer oaths.

[S13, § 1821-q; C24, 27, 31, 35, 39, § 9109; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.6]

521.7 Appearance by policyholders.

When notice shall have been given as above provided, any policyholder, or stockholder of said company or companies shall have the right to appear before said commission and be heard with reference to said petition.

[S13, § 1821-q; C24, 27, 31, 35, 39, § 9110; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.7]

521.8 Authorization.

Said commission, if satisfied that the interests of the policyholders of said company or companies are properly protected and no reasonable objection to said petition exists, may authorize the proposed consolidation or reinsurance or may direct such modification thereof as may seem to it best for the interests of the policyholders; and said commission may make such order and disposition of the assets of any such company thereafter remaining as shall be just and equitable.

[S13, § 1821-q; C24, 27, 31, 35, 39, § 9111; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.8]

521.9 Unanimous decision required.

Such consolidation or reinsurance shall only be approved by the consent of all of the members of said commission, and it shall be the duty of said commission to guard the interests of the policyholders of any such company or companies proposing consolidation or reinsurance.

[S13, § 1821-q; C24, 27, 31, 35, 39, § 9112; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.9]

521.10 Election called.

In case of companies organized on the assessment plan, the commission may require the plan of consolidation or reinsurance to be submitted to the membership of such company or companies to be voted upon. When submitted, it shall be at a meeting called for that purpose, thirty days' notice being given, and a two-thirds vote of all the members present and voting shall be necessary to an approval of any plan of consolidation or reinsurance, and no proxies shall, in any case, be voted.

[S13, § 1821-q; C24, 27, 31, 35, 39, § 9113; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.10]

521.11 Approval and filing with commissioner.

Any plan of consolidation or reinsurance submitted as herein contemplated, must first have been approved by the commission, and the result of said vote must be filed with the commissioner of insurance and be by the commissioner determined before any consolidation or reinsurance shall be effected.

[S13, § 1821-q; C24, 27, 31, 35, 39, § **9114**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.11]

521.12 Companies other than life approval of plan.

When any company or companies not named in section 521.2 desire to consolidate or reinsure, it shall only be necessary for such company or companies to submit the plan of consolidation or reinsurance with any other information that may be required, to the commissioner of insurance and the attorney general and have the same by them approved.

[S13, § 1821-r; C24, 27, 31, 35, 39, § **9115**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.12]

521.13 Consolidation prohibited exception.

A company or companies as described in section 521.1 shall not consolidate or reinsure except insofar as provided by section 515.49 with any other company or companies or any insurance company or companies organized under the laws of another state without the commission's approval.

[S13, § 1821-s; C24, 27, 31, 35, 39, § **9116**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.13]

97 Acts, ch 186, §24

521.14 Expenses how paid.

All expenses and costs incident to proceedings under the provisions of this chapter, shall be paid by the company or companies bringing the petition.

[S13, § 1821-t; C24, 27, 31, 35, 39, § **9117**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 521.14]

521.15 Violations. Repealed by 2004 Acts, ch 1110, § 71.

521.16 Applicability of chapter.

Chapter 521A is applicable to a merger or consolidation made pursuant to this chapter, and the provisions of chapter 521A and this chapter shall apply exclusively with respect to such merger or consolidation.

95 Acts, ch 185, §43