

521I.11 Division effective.

1. On the effective date of a division pursuant to [section 521I.10](#), the following apply:

a. If the dividing insurer survives, all of the following apply:

(1) The dividing insurer shall continue to exist.

(2) The articles of incorporation of the dividing insurer shall be amended, if at all, if provided for in the plan of division.

(3) The bylaws of the dividing insurer shall be amended, if at all, if provided for in the plan of division.

b. If the dividing insurer does not survive, the dividing insurer's separate existence shall cease to exist and any resulting insurer created by the plan of division shall come into existence.

c. Each resulting insurer shall hold any capital, surplus, and other assets allocated to such resulting insurer by the plan of division as a successor to the dividing insurer by operation of law, and not by transfer, whether directly or indirectly. The articles of incorporation and bylaws, if any, of each resulting insurer shall be effective when the resulting insurer comes into existence.

d. (1) All capital, surplus, and other assets of the dividing insurer that are allocated by the plan of division shall vest in the applicable resulting insurer as provided in the plan of division or shall remain vested in the dividing insurer as provided in the plan of division.

(2) All capital, surplus, and other assets of the dividing insurer that are not allocated by the plan of division shall remain vested in the dividing insurer if the dividing insurer survives the division and shall be allocated to and vest pro rata in the resulting insurers individually if the dividing insurer does not survive the division.

(3) All capital, surplus, and other assets of the dividing insurer otherwise vest as provided in [this section](#) without transfer, reversion, or impairment.

e. A resulting insurer to which a cause of action is allocated may be substituted or added in any pending action or proceeding to which the dividing insurer is a party when the division becomes effective.

f. All liabilities of a dividing insurer are allocated between or among any resulting insurers as provided in [section 521I.10](#) and each resulting insurer to which liabilities are allocated is liable only for those liabilities, including policy liabilities, allocated as a successor to the dividing insurer by operation of law.

g. Any shares in the dividing insurer that are to be converted or canceled in the division are converted or canceled and the shareholders of those shares are entitled only to the rights provided to such shareholders under the plan of division and any appraisal rights that such shareholders may have pursuant to [section 521I.13](#).

2. Except as provided in the dividing insurer's articles of incorporation or bylaws, the division does not give rise to any rights that a shareholder, director of a domestic stock insurer, or third party would have upon a dissolution, liquidation, or winding up of the dividing insurer.

3. The allocation to a resulting insurer of capital, surplus, or other asset that is collateral covered by an effective financing statement shall not be effective until a new effective financing statement naming the resulting insurer as a debtor is effective under the uniform commercial code, [chapter 554](#).

4. Unless otherwise provided in the plan of division, the shares in and any securities of each resulting insurer shall be distributed to the dividing insurer if it survives the division, or pro rata to the shareholders of the dividing insurer that do not assert any appraisal rights pursuant to [section 521I.13](#).

[2019 Acts, ch 20, §11](#); [2020 Acts, ch 1062, §59](#)