

§3490. Conversion of mutual holding company

1. Approval of reorganization plan. A mutual holding company may be reorganized in accordance with a plan of reorganization:

A. Approved by the superintendent, if the superintendent finds the plan to be fair and equitable, after a hearing of which notice has been given to the company's members pursuant to section 230; and [PL 1999, c. 656, §5 (NEW).]

B. Approved by vote of not less than 2/3 of the company's members voting on the plan in person, by proxy or by mail at a meeting of members called by the company for that purpose. The mutual holding company shall provide reasonable notice to its members and determine the procedure for the meeting, subject to approval by the superintendent. The plan must specify that only persons who were members both at least one year before the submission of the plan and on a subsequent date before the vote found reasonable by the superintendent are entitled to vote. Each member is entitled to one vote. [PL 1999, c. 656, §5 (NEW).]

[PL 1999, c. 656, §5 (NEW).]

2. Membership interests disposition. A plan of reorganization pursuant to subsection 1 must provide for extinguishment of the membership interests in the mutual holding company and may provide for either:

A. The conversion of the mutual holding company into a stock corporation, in which event the consideration, if any, distributed to members of the mutual holding company must be equal to that required under section 3477; or [PL 1999, c. 656, §5 (NEW).]

B. The distribution to eligible members of the mutual holding company of consideration consisting of all assets of the mutual holding company, including all stock of the reorganized insurer or any stock holding company owned by the mutual holding company, or other consideration having equivalent aggregate value. The form of the other consideration may be cash, securities, additional insurance or annuity benefits or policy credits, increased dividends or other consideration. All such consideration must be allocated among eligible members of the mutual holding company in a manner that is fair and equitable to the company's members. [PL 1999, c. 656, §5 (NEW).]

[PL 1999, c. 656, §5 (NEW).]

SECTION HISTORY

PL 1999, c. 656, §5 (NEW).

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