

§3473. Conversion of stock insurer to ordinary business corporation

1. A domestic stock insurer may convert to a Maine ordinary business corporation through the following procedures:

A. The insurer must give the superintendent written notice of its intent to convert to an ordinary business corporation; [PL 1969, c. 132, §1 (NEW); PL 1973, c. 585, §12 (AMD).]

B. The insurer must bulk reinsure all of its insurance, if any, in force, with another authorized insurer under a bulk reinsurance agreement approved by the superintendent as provided in section 3483. The agreement of bulk reinsurance may be made contingent upon approval of stockholders as provided in paragraph D; [PL 1969, c. 132, §1 (NEW); PL 1973, c. 585, §12 (AMD).]

C. The insurer must set aside funds in a special reserve in such amount and subject to such administration as may be found by the superintendent to be reasonable and adequate for the purpose, for payment of all obligations, if any, of the insurer incurred by it and remaining unpaid under its insurance contracts prior to the effective date of such bulk reinsurance, or make other reasonable disposition satisfactory to the superintendent for such payment; [PL 1969, c. 132, §1 (NEW); PL 1973, c. 585, §12 (AMD).]

D. The proposed conversion must be approved by affirmative vote of not less than 2/3 of each class of outstanding securities of the insurer having voting rights, at a special meeting of holders of such securities called for the purpose; and at such meeting and by a like vote the certificate of organization or articles of incorporation of the corporation must be amended to remove from the certificate of organization or articles of incorporation the power to transact an insurance business as an insurer, to provide for such new powers and purposes authorized by the general corporation laws of this State as may be consistent with the purposes for which the corporation is thereafter to exist, and to make such further alterations in the certificate of organization or articles of incorporation as may be required under such general corporation laws of an ordinary business corporation; [RR 2023, c. 2, Pt. A, §36 (COR).]

E. Security holders of the corporation who dissent from such proposed conversion shall have the same applicable rights as exist under such general corporation laws with respect to dissent from a proposed merger of the corporation; and [PL 1969, c. 132, §1 (NEW).]

F. Upon compliance with paragraphs A to D, and upon filing of the amendment of the certificate of organization or articles of incorporation with the superintendent and otherwise as required by laws applicable to ordinary business corporations, the conversion becomes effective. [PL 2013, c. 299, §16 (AMD).]

[RR 2023, c. 2, Pt. A, §36 (COR).]

2. An insurer which has once converted to an ordinary business corporation shall not have power thereafter to convert to an insurer; and no ordinary business corporation shall have power to convert to an insurer.

[PL 1969, c. 132, §1 (NEW).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). PL 2013, c. 299, §§15, 16 (AMD). RR 2023, c. 2, Pt. A, §36 (COR).

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