

40-1219. Same; vote of policyholders on agreement; meetings of policyholders, notice; required votes. (a) Except as otherwise provided herein, the agreement of merger or consolidation shall be submitted to a vote of the policyholders of each company at an annual, periodic or special meeting of policyholders of each such company. The right of a policyholder to vote shall be governed by the laws of the domiciliary state and the bylaws of the company. Written or printed notice shall be given not less than 20 days before each such meeting, either personally or by mail, to each policyholder entitled to vote. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage prepaid, addressed to the policyholder, at such policyholder's address as it appears on the records of the company. Such notice, whether the meeting is annual, periodic or special, shall state the place, day, hour and purpose of the meeting, and a copy or a summary of the agreement of merger or consolidation, as the case may be, shall be included in or enclosed with such notice.

(b) In the case of consolidation the proposed articles of incorporation of the new company must be set out in full in or enclosed with such notice and in the case of merger, any amendments to the articles of incorporation of the continuing company as may be desired or necessary to provide for the purposes of the merger or to comply with law, must be set out separately and in full in or enclosed with such notice clearly showing the nature of such amendments. The policyholders may vote in person or by proxy. Two-thirds of the votes cast by the policyholders of each such company, as are represented at the meeting in person or by proxy, must be in favor of the agreement in order to approve any such agreement. Should the agreement fail to receive the required number of votes it shall be null and void.

(c) The provisions of subsections (a) and (b) shall not apply to the surviving company of any merger or consolidation to which this act applies whose surplus as regards policyholders is greater than 25 times the surplus as regards policyholders of the nonsurviving company or companies. For purposes of this section, the surplus as regards policyholders of the respective companies shall be those reflected by the most recent statement of financial condition filed with and accepted by the commissioner pursuant to K.S.A. 40-225 and amendments thereto.

History: L. 1957, ch. 289, § 4; L. 1993, ch. 2, § 1; Feb. 25.