

40-511. Same; approval by two-thirds vote of policyholders; notice of meeting; summary of agreement. (a) After a proposed agreement of merger or consolidation has been filed with the commissioner of insurance and has not been disapproved in accordance with K.S.A. 40-510, and if the insurer is then unimpaired, such agreement shall be submitted to the domestic insurer's policyholders for approval at a regular or special meeting of the policyholders.

(b) Not less than twenty (20) days before any such meeting, written notices of the meeting and of the proposed merger or consolidation shall be given to each policyholder of each insurer. The notice shall state the day, hour, place and purposes of the meeting and be accompanied by a brief summary of the agreement of merger or consolidation, as the case may be. The notice and summary shall be subject to approval by the commissioner of insurance. Notice and accompanying summary shall be deemed given when enclosed in an envelope addressed to each policyholder at the address last of record with the insurer and deposited postage paid in a depository of the United States post office. In the event of a merger, if at the year end prior to the date of merger the total admitted assets, as reflected by the most recent annual statement filed with the commissioner of insurance of the company that is to survive, are equal to or greater than five (5) times that of the total admitted assets, as reflected by the most recent annual statement filed with the commissioner of insurance, of the company or companies that are not to survive, in lieu of notice by mail, notice, subject to approval by the commissioner, may be given to the policyholders of the larger insurer by publication in a newspaper of general circulation in either of the two (2) largest cities in each state in which the insurers are authorized to transact an insurance business.

(c) Upon receiving the affirmative vote of two-thirds (2/3) of all votes cast by policyholders present or represented by written proxy at each meeting, such agreement shall be deemed to have been approved. Each policyholder of the insurers shall be bound by such vote without right of dissent other than the right to vote against the proposal at the meeting. A dissenting policyholder shall have no right or equity as to assets of the insurer except as expressly provided in the policyholder's policy or policies. Should any such agreement fail to receive the required number of votes, it shall be null and void.

History: L. 1980, ch. 135, § 5; July 1.