

40-1618. Same; information required to be filed with insurance commissioner; notice and hearing on merger; approval, when; costs. (a) No merger under this act shall occur unless, in advance of the proposed merger, the following information has been filed with the commissioner of insurance: (1) The agreement of merger; (2) a verified schedule by the actuaries of the insurance entities interested in merging, showing that the legal reserves for the subscribers of each insurance entity as of December 31 of the preceding year are not less than the amount that would be required of a Kansas domestic reciprocal or interinsurance exchange; (3) a pro forma financial statement showing that, upon approval of the merger by the commissioner of insurance, the surviving insurance entity will continue to satisfy the financial requirements to transact all of the line or lines of insurance in all jurisdictions where it is presently authorized to transact business; and (4) any other information which may be requested by the commissioner of insurance.

(b) After notice and a hearing in accordance with the Kansas administrative procedure act, the commissioner of insurance shall approve the merger unless the commissioner of insurance determines that any one of the following exist or would result from the merger, in which event the commissioner of insurance shall disapprove the merger: (1) The insurance entities proposing to merge have not complied with the provisions of this act; (2) the merger of the two insurance entities is not in the best interests of the subscribers of Armed Forces Insurance Exchange; (3) after the merger, Armed Forces Insurance Exchange would be in violation of any of the laws of this state; or (4) the effect of the merger would be to substantially lessen competition in insurance in this state.

(c) The parties proposing to merge under this act shall bear all costs associated with the hearing required by this section.

History: L. 1992, ch. 72, § 4; May 7.