

40-261. Same; effective provisions of law if emergency bylaws not adopted at time emergency occurs. In the event that the board of directors of a domestic insurance company has not adopted emergency bylaws, the following provisions shall become effective upon the occurrence of such national emergency:

(1) Three (3) directors shall constitute a quorum for the transaction of business at all meetings of the board.

(2) Any vacancy in the board may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director.

(3) If there are no surviving directors, but at least three (3) vice-presidents of the company survive, the three (3) vice-presidents with the longest term of service shall be the directors and shall possess all of the powers of the previous board of directors and such powers as are granted herein or by subsequently enacted legislation. By majority vote such emergency board of directors may elect other directors. If there are not at least three (3) surviving vice-presidents, the commissioner of insurance or duly designated person exercising the powers of commissioner of insurance shall appoint three (3) persons as directors who shall possess all of the powers of the previous board of directors and such powers as are granted herein or by subsequently enacted legislation, and these persons by majority vote may elect other directors.

History: L. 1965, ch. 312, § 3; June 30.