

40-510. Same; merger or consolidation of companies; filing agreement with commissioner; hearing; disapproval, grounds; notice of disapproval. (a) No merger or consolidation of a domestic mutual insurer shall be effectuated unless, in advance of a proposed merger or consolidation, the agreement therefor and any other information requested by the commissioner of insurance has been filed with the commissioner and has not been disapproved in writing. If the domestic insurer is not then impaired, the commissioner of insurance shall act with respect to the agreement for merger or consolidation after a hearing thereon conducted in accordance with the provisions of the Kansas administrative procedure act. An agreement shall be effectuated in accordance with its terms unless the commissioner of insurance disapproves the same within 60 days after the date of filing, subject to the commissioner's right to have a reasonable extension of time not to exceed an additional 60 days upon written notice to the insurers involved. The commissioner of insurance may disapprove an agreement, upon one or more of the following grounds, if the agreement:

- (1) Is inequitable to the policyholders of any domestic insurer involved;
 - (2) would materially reduce the financial security of policyholders of the domestic insurer in this state and elsewhere;
 - (3) would materially tend to lessen competition in this state as to the kinds of insurance involved or would tend to create a monopoly therein; or
 - (4) is subject to any other reasonable objections.
- (b) If the commissioner of insurance disapproves an agreement, notice shall be given to the insurers proposing to merge or consolidate specifying the reasons for disapproval.

History: L. 1980, ch. 135, § 4; L. 1988, ch. 356, § 79; July 1, 1989.