

2012 Kansas Statutes

40-774. Same; status of corporation upon conversion; reserves on policies issued prior to conversion; succession to rights and property of society; power of commissioner to order divestiture or revaluation. When any fraternal benefit society shall have complied with the provisions of this act and the other laws of this state regulating the incorporation of life insurance companies and shall receive from the commissioner of insurance its charter or certificate of authority to transact business as a life insurance company, its reorganization and conversion into such company shall be complete. Such reorganized and converted corporation shall be deemed in law to have all the rights, privileges, powers and authority of any other corporation organized for doing a life insurance business in the state of Kansas and be controlled by the laws applying thereto. Such reorganized and converted corporation shall be obligated to maintain reserves attributable to policies or certificates of insurance issued prior to such conversion on the respective bases provided in such policies or certificates of insurance or in the laws applicable at their respective dates of issue, but in no event on a basis providing lower reserves than the national fraternal congress table of mortality with interest assumed at the rate of 4% per annum.

The new corporation shall be deemed in law to be a continuation of the business of the fraternal benefit society when the reorganization and conversion shall have been accomplished by the formation of a new company or by amendment to its former charter, and such reorganized corporation shall succeed to and become invested with all and singular the rights, privileges, franchises, and all property, real, personal, or mixed of the former society, and all debts due on any account and all other things and choses in action, theretofore belonging to such fraternal benefit society, and all property rights, privileges, franchises, and all other interest shall thereafter be as effectually the property of such organized and converted corporation as they were the property of the former fraternal benefit society, and the title to any real estate by deed or otherwise vested in the former fraternal benefit society shall forthwith vest in such organized converted corporation, and the title thereto shall not in any way be impaired by reason of such change or reincorporation. The commissioner of insurance shall have the power and authority to require such converted company to dispose of or revalue any security, investment or asset regarded as ineligible for the converted company upon reasonable notice and terms to such converted company.

History: L. 1988, ch. 154, § 37; Jan. 1, 1989.