

through the ownership of securities convertible into voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, WHETHER OR NOT SUCH POWER IS EXERCISED OR SOUGHT TO BE EXERCISED. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies, representing [fifteen] ~~15--percent~~ 10 percent [(15%)] or more of the voting securities of any other person[; provided, however, that such]. HOWEVER, THE control [shall] MAY not be presumed to exist where proxies have been obtained by an official of such person solely in connection with voting at any meeting of the owners of such person. This presumption may be rebutted by [showing] ESTABLISHING BY A PREPONDERANCE OF THE EVIDENCE that control does not exist in fact. Notwithstanding the presumption of control, the Commissioner, upon application of the insurance company, may determine that the insurance company or company is not controlled by the person presumed to control it. In addition the Commissioner, after notice and an opportunity to be heard, may determine that a person not presumed to have control does control an insurance company or company.

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(g) (ii) Effectuation of or any attempt to effectuate an acquisition of, ACTUAL OR PRESUMED, control of, or merger with, a domestic insurer or insurance holding company which controls one or more domestic insurers within the sixty-day period referred to in subsection (e) unless the Commissioner has given his approval thereto, or after disapproval of such acquisition of control or merger by the Commissioner, shall constitute a violation of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That the provisions of this Act do not apply to any person who, directly or indirectly, owns, controls, holds with power to vote, or holds proxies, representing more than 10 percent and less than 15 percent of the voting securities of any other person on or before the date of the introduction of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act is hereby declared to be an emergency measure and necessary for the immediate preservation of the public health and safety and having been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, the same shall take effect from the date of its passage.

Approved May 19, 1981.

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