

SUBTITLE 4. ACQUISITION OF CONTROL OF INSURER.

7-401. ACQUISITIONS SUBJECT TO SUBTITLE.

EXCEPT AS PROVIDED IN § 7-402 OF THIS SUBTITLE, THIS SUBTITLE APPLIES TO ANY ACQUISITION, AGREEMENT, ARRANGEMENT, OR ACTIVITY, INCLUDING THE ACQUISITION OF VOTING SECURITIES OR ASSETS, BULK REINSURANCE, AND MERGER, THAT RESULTS IN A PERSON ACQUIRING DIRECTLY OR INDIRECTLY THE CONTROL OF AN AUTHORIZED INSURER.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 494A(a)(2) and (b)(1).

Former Art. 48A, § 494A(a)(2) defined "acquisition" as an "agreement, arrangement, or activity the consummation of which results in a person acquiring ... the control of another person ...". The definition served only to delimit the scope of this subtitle. It is revised to clarify that function.

The former phrase "but is not limited to", which modified "includes", is deleted as unnecessary. See Art. 1, § 30.

Former Art. 48A, § 494A(a)(1), which provided introductory language to a definition section, is deleted as unnecessary because there are no definitions in this subtitle.

Defined terms: "Authorized insurer" § 1-101

"Control" § 1-101

"Person" § 1-101

"Reinsurance" § 1-101

7-402. TRANSACTIONS EXCLUDED FROM SUBTITLE.

THIS SUBTITLE DOES NOT APPLY TO:

(1) AN ACQUISITION THAT IS SUBJECT TO THE APPROVAL OR DISAPPROVAL OF THE COMMISSIONER UNDER SUBTITLE 3 OF THIS TITLE;

(2) A PURCHASE OF SECURITIES SOLELY FOR INVESTMENT PURPOSES IF THE SECURITIES ARE NOT USED FOR VOTING OR OTHERWISE TO CAUSE, OR ATTEMPT TO CAUSE, THE SUBSTANTIAL LESSENING OF COMPETITION IN ANY INSURANCE MARKET IN THE STATE;

(3) A PURCHASE OF SECURITIES THAT RESULTS IN A PRESUMPTION OF CONTROL UNDER § 7-104 OF THIS TITLE, BUT THE COMMISSIONER OF THE INSURER'S STATE OF DOMICILE:

(I) ACCEPTS A DISCLAIMER OF CONTROL OR AFFIRMATIVELY FINDS THAT CONTROL DOES NOT EXIST; AND

(II) INFORMS THE COMMISSIONER OF THE DISCLAIMER OR FINDING;

(4) AN ACQUISITION: