

(1) BEFORE APPROVAL OF THE ARTICLES OF CONSOLIDATION OR MERGER, THE COMMISSIONER SHALL EXAMINE AND REVIEW THE AFFAIRS OF THE STOCK INSURERS INVOLVED IN THE CONSOLIDATION OR MERGER AS THE COMMISSIONER FINDS NECESSARY OR DESIRABLE.

(2) THE COMMISSIONER MAY HOLD A HEARING ON THE PROPOSED CONSOLIDATION OR MERGER AFTER GIVING THE NOTICE THAT THE COMMISSIONER CONSIDERS APPROPRIATE.

(D) APPROVAL OF ARTICLES.

THE COMMISSIONER SHALL APPROVE THE ARTICLES OF CONSOLIDATION OR MERGER BY WRITTEN ENDORSEMENT ON THEM BEFORE THEY BECOME OPERATIVE IF THE COMMISSIONER FINDS THAT:

(1) THE ARTICLES COMPLY WITH THE CODE; AND

(2) THE POLICYHOLDERS IN THE SUCCESSOR STOCK INSURER ARE PROTECTED THROUGH ADEQUATE RESERVES AND ASSETS FOR LOSSES AND CLAIMS THEN ANTICIPATED.

(E) EXPENSES.

THE SUCCESSOR STOCK INSURER SHALL BEAR ALL EXPENSES IN CONNECTION WITH PROCEEDINGS CONDUCTED BY THE COMMISSIONER UNDER THIS SECTION.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 271.

In subsection (b) of this section, the word "accepted" is substituted for the former word "received" to conform to language used in the Corporations and Associations Article.

In subsections (d)(2) and (e) of this section, the references to a "successor" stock insurer are substituted for the former references to a "surviving or consolidated" insurer for clarity and to conform to language used in the Corporations and Associations Article.

- Defined terms: "Commissioner" § 1-101
- "Domestic insurer" § 1-101
- "Foreign insurer" § 1-101
- "Insurer" § 1-101
- "Stock insurer" § 1-101

3-123. CONSOLIDATIONS AND MERGERS OF MUTUAL INSURERS.

(A) AUTHORITY TO FORM DOMESTIC MUTUAL INSURER.

(1) ONE OR MORE MUTUAL INSURERS ORGANIZED UNDER THE LAWS OF ANY STATE MAY CONSOLIDATE OR MERGE WITH ONE OR MORE DOMESTIC MUTUAL INSURERS TO FORM A DOMESTIC MUTUAL INSURER.