

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003

A Bill

HOUSE BILL 2812

4
5 By: Representative Biggs
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For An Act To Be Entitled

9 AN ACT TO AUTHORIZE THE INSURANCE COMMISSIONER TO
10 DISAPPROVE A DOMESTIC INSURER SALE OR MERGER IF
11 HE OR SHE FINDS THAT THE PROPOSED OWNER,
12 PURCHASER, OFFICER, OR DIRECTOR OF THE ACQUIRING
13 PARTY IS NOT COMPETENT, TRUSTWORTHY, OR
14 FINANCIALLY RESPONSIBLE; AND FOR OTHER PURPOSES.

Subtitle

16 TO AUTHORIZE GROUNDS FOR WHICH THE
17 INSURANCE COMMISSIONER MAY DISAPPROVE A
18 PROPOSED SALE OR MERGER OF A DOMESTIC
19 STOCK OR MUTUAL INSURER.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 23-69-142(c) concerning domestic stock or
26 mutual insurer charter purchases or mergers, is amended to read as follows:

27 (c) No merger or consolidation or exchange of stock shall be
28 effectuated unless, in advance, ~~thereof~~ the plan ~~and or~~ agreement ~~therefor~~
29 ~~have~~ has been filed with the Insurance Commissioner and approved in writing
30 by him or her after a hearing thereon. With regard to proposed affiliations
31 between a depository institution, or any affiliate, ~~thereof~~, and an insurer,
32 the hearing shall be concluded and the order issued within the sixty-day
33 period preceding the effective date of the transaction, and these orders
34 shall be final upon entry, pursuant to federal law. Further, any restoration
35 of capital or surplus or special surplus required for approval of the
36 transaction affecting the depository institution's affiliate or subsidiary



1 shall also be accomplished within the same sixty-day period. The
2 commissioner shall give such approval within a reasonable time after the
3 filing unless he or she finds ~~such a~~ that the plan or agreement:

4 (1) Is contrary to law;

5 (2) Is inequitable to the stockholders of any domestic insurer
6 involved; ~~or~~

7 (3) Would substantially reduce the security of and service to be
8 rendered to policyholders of the domestic insurer in this state or
9 elsewhere; or

10 (4) Any proposed owner, purchaser, director, or officer of the
11 acquiring party is not competent, trustworthy, financially responsible, or of
12 good personal or business reputation.

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