

The Insurance Article Review Committee notes, for consideration by the General Assembly, that subsection (b)(3) of this section, which allows life insurers to limit the right to vote on conversion to a stock insurer to members whose policies have been in force for at least 1 year, does not conform to § 3-120(c)(3) of this subtitle, which requires life insurers to limit the right to vote on mutualization to holders of policies that have been in force for more than 1 year.

In subsection (b)(5) of this section, the former word "existing", which modified "persons", is deleted as surplusage.

In subsection (b)(7) of this section, the phrase "in the initial offering" is added for clarity.

Also in subsection (b)(7) of this section, the word "stock" is substituted for the former word "[s]hares" for consistency with subsection (b)(6) and (8) of this section.

The Insurance Article Review Committee notes, for consideration by the General Assembly, that the reference in subsection (b)(7) of this section to "double the par value" of the stock is archaic. Stock does not have to be issued to policyholders at a particular par value.

Defined terms: "Commissioner" § 1-101

"Insurance business" § 1-101

"Insurer" § 1-101

"Life insurer" § 1-101

"Mutual insurer" § 1-101

"Person" § 1-101

"Policy" § 1-101

"Stock insurer" § 1-101

3-122. CONSOLIDATIONS, MERGERS, AND SHARE EXCHANGES OF STOCK INSURERS.

(A) APPLICATION OF CORPORATIONS AND ASSOCIATIONS ARTICLE.

EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE PROVISIONS OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE ON THE CONSOLIDATION, MERGER, AND SHARE EXCHANGE OF STOCK CORPORATIONS APPLY TO THE CONSOLIDATIONS, MERGERS, AND SHARE EXCHANGES OF DOMESTIC STOCK INSURERS AND DOMESTIC AND FOREIGN STOCK INSURERS.

(B) SUBMISSION OF ARTICLES TO COMMISSIONER.

THE ARTICLES OF CONSOLIDATION, MERGER, OR SHARE EXCHANGE OF STOCK INSURERS MUST BE SUBMITTED TO THE COMMISSIONER FOR EXAMINATION AND APPROVAL BEFORE THE ARTICLES MAY BE ACCEPTED FOR RECORD BY THE DEPARTMENT OF ASSESSMENTS AND TAXATION.

(C) EXAMINATION AND REVIEW OF INSURER; HEARING.