

40-309. Union, merger or consolidation; reinsurance. (a) (1) Any insurance company and any health maintenance organization of this state may unite, merge or consolidate with any other company or companies of this or any other state engaged in like business and having similar corporate powers, upon such terms and conditions, including the reinsurance of the business in force, as may be approved at a meeting of the stockholders of any such company or companies of this state, called for that purpose, such approval to be by vote of stockholders owning not less than two-thirds of the shares of stock of any such company or companies of this state. The agreement for such union, merger, consolidation and reinsurance shall be subject to the approval of the commissioner of insurance. There shall be filed with the commissioner of insurance a verified schedule by the actuaries of the companies or health maintenance organizations interested showing that the legal reserve for the policyholders of each of the several companies is of the amount required by law.

(2) Where companies of other states are uniting, consolidating, merging and reinsuring with a company or health maintenance organization of this state the commissioner of insurance also shall approve in the same manner such amendments to the articles of incorporation of such companies of this state as may be necessary and proper. Such agreement shall provide for payment in cash to any dissenting stockholder of an amount equal to the fair value of the stock if the stockholder shall refuse to assent to the union, merger or consolidation.

(3) When a company or health maintenance organization of this state shall be merged, consolidated or united with a company organized under the laws of any other state, the commissioner of insurance in the commissioner's order of approval shall direct that the assets of the domestic company or health maintenance organization be delivered to the company with which the domestic company is united, merged or consolidated.

(b) For the purposes of this section the term "health maintenance organization" shall have the meaning ascribed to it in K.S.A. 40-3202, and amendments thereto.

History: L. 1927, ch. 231, 40-309; L. 1933, ch. 200, § 2; L. 1972, ch. 53, § 5; L. 1978, ch. 173, § 1; L. 1996, ch. 25, § 4; L. 2007, ch. 122, § 2; July 1.