

IC 27-1-11

Chapter 11. Reorganization of Existing Insurance Companies

IC 27-1-11-1

Authority to reorganize; reorganization of mutual company as stock company unauthorized

Sec. 1. Any stock company or mutual company organized before March 8, 1935, under any of the laws of this state may reorganize under the provisions of this article and thereafter avail itself of the rights, privileges, immunities, and franchises provided by this article by complying with the provisions of this chapter. Nothing in this chapter shall be construed or interpreted as permitting or authorizing the reorganization of a mutual company as a stock company.

(Formerly: Acts 1935, c.162, s.139.) As amended by P.L.252-1985, SEC.53.

IC 27-1-11-2

Articles; approval by directors

Sec. 2. The board of directors of such company desiring to reorganize under this article shall, by resolution adopted by a majority vote of the members of such board, approve the articles of reorganization setting forth:

- (1) the name of the corporation;
- (2) the location of its principal office;
- (3) the date of its incorporation or organization;
- (4) a designation of the statute under which it was organized;
- (5) a declaration that it accepts all of the terms and provisions of this article; and
- (6) a restatement of such provisions of its articles of incorporation or association as may be deemed desirable so long as the provisions restated would have been authorized by this article as provisions of original articles of incorporation for a corporation organized under this article.

(Formerly: Acts 1935, c.162, s.140.) As amended by P.L.252-1985, SEC.54.

IC 27-1-11-3

Articles; submission to shareholders, members, or policyholders; vote required; eligibility to vote

Sec. 3. (a) The resolution of the board of directors approving the articles of reorganization shall direct that the articles be submitted to a vote of the shareholders, members, or policyholders of such corporation entitled to vote in respect thereof, at a designated meeting thereof, which may be an annual meeting of shareholders, members, or policyholders or a special meeting of the shareholders, members, or policyholders, entitled to vote in respect thereof. If the designated meeting is an annual meeting, notice of the submission of the articles of reorganization shall be included in the notice of such annual meeting. If the designated meeting is a special meeting of the shareholders, members, or policyholders entitled to vote in respect

thereof, such meeting shall be called by the resolution designating the meeting, and notice of such meeting shall be given at the time and in the manner as provided in IC 27-1-7-7.

(b) The articles of reorganization so approved shall be submitted to a vote of the shareholders, members, or policyholders entitled to vote in respect thereof at the meeting directed by the resolution of the board of directors approving the articles, and shall be adopted upon receiving the affirmative vote of the holders of two-thirds (2/3) of the outstanding shares entitled to vote in respect thereof, if a stock company, or not less than two-thirds (2/3) of the members or policyholders present and voting at such meeting, if other than a stock company. The shareholders, members, or policyholders of a corporation entitled to vote in respect of the organization of such corporation shall be the shareholders entitled to vote under IC 27-1-7-8 and the members or policyholders entitled to vote under IC 27-1-7-9.

(Formerly: Acts 1935, c.162, s.141.) As amended by P.L.252-1985, SEC.55.

IC 27-1-11-4

Articles; execution; approval or disapproval by department

Sec. 4. (a) Upon the approval and adoption thereof, the articles of reorganization shall be filed in triplicate originals, in the form prescribed by the department, by the president or a vice president and the secretary or an assistant secretary of the corporation, and acknowledged and sworn to before a notary public by the officer signing the same and shall be presented in triplicate to the department at its office.

(b) The department is hereby authorized, in its discretion, to approve or disapprove the articles of reorganization, and if the department shall approve the articles of reorganization it shall endorse its approval thereon as required in IC 27-1-6-8 and present the same to the secretary of state for the state of Indiana for his approval.

(Formerly: Acts 1935, c.162, s.142.) As amended by P.L.252-1985, SEC.56.

IC 27-1-11-5

Articles; presentation to secretary of state; duties of secretary of state

Sec. 5. Upon the presentation of the articles of reorganization, the secretary of state, if he finds they conform to law, shall indorse his approval on each of the triplicate copies of the articles, and when all fees have been paid as required by law, shall file one (1) copy of the articles in his office, issue a certificate of reorganization, and return two (2) copies of the articles of reorganization, bearing the indorsement of his approval, together with the certificate of reorganization to the corporation or its representatives.

(Formerly: Acts 1935, c.162, s.143.)

IC 27-1-11-6

Filing copy of articles; cancellation of certificate of authority; recording articles; exercise of new powers

Sec. 6. (a) The corporation shall then file a certified copy of the articles of reorganization with the department and present to the department its certificate of authority issued or renewed under IC 27-1-6-18 for cancellation. The department shall file the certified copy of articles of reorganization and shall cancel the said certificate of authority and endorse the cancellation thereon, and issue a new certificate of authority to the corporation under the provisions of IC 27-1-6-18.

(b) The corporation shall then file for record with the county recorder of the county in which the principal office of the corporation is located, one (1) of the triplicate copies of the articles of reorganization bearing the endorsement of the approval of the secretary of state as provided for in section 5 of this chapter.

(c) A corporation which is reorganized in accordance with the provisions of this chapter shall not exercise any new power, right, or authority conferred by, or take any action pursuant to, such reorganization until subsections (a) and (b) have been complied with. If a corporation exercises any such new power, right, or authority or takes any such action in violation of this section, the officers and directors who participated therein shall be severally liable for any debts or liabilities of the corporation incurred thereby or arising therefrom.

(Formerly: Acts 1935, c.162, s.144.) As amended by P.L.252-1985, SEC.57.

IC 27-1-11-7

Completion of reorganization; effect

Sec. 7. Upon the issuance of the certificate of reorganization by the secretary of state, the filing for record of the articles with the department and the county recorder as provided in section 6 of this chapter, and the issuance of the new certificate of authority provided for in section 6 of this chapter:

- (1) the reorganization shall become effective;
- (2) the corporation shall be entitled to all of the rights, privileges, immunities, powers, and franchises and be subject to all of the penalties, liabilities, and restrictions by the provisions of this article granted to or imposed upon corporations organized under this article; and
- (3) the articles of incorporation or organization shall be deemed to be amended to the extent, if any, that any provision or provisions of such articles shall be restated in the articles of reorganization as provided by section 2 of this chapter.

(Formerly: Acts 1935, c.162, s.145.) As amended by P.L.252-1985, SEC.58.