

By Representative Tullis

1 A bill to be entitled
2 An act relating to mutual insurance holding
3 companies; amending s. 628.715, F.S.;
4 authorizing a mutual insurance holding company
5 to merge or consolidate with, or acquire the
6 assets of, a foreign mutual insurance company
7 under certain circumstances; amending ss.
8 628.231 and 628.723, F.S.; authorizing
9 directors of domestic insurers and mutual
10 insurance holding companies to consider certain
11 factors while taking corporate action in
12 discharging their duties; providing an
13 effective date.

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15 Be It Enacted by the Legislature of the State of Florida:

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17 Section 1. Paragraph (f) is added to subsection (1) of
18 section 628.715, Florida Statutes, to read:

19 628.715 Merger and acquisitions.--Subject to
20 applicable requirements of this chapter, a mutual insurance
21 holding company may:

22 (1)

23 (f) Merge or consolidate with, or acquire the assets
24 of, a foreign mutual insurance company which redomesticates
25 pursuant to s. 628.520. The members of the foreign mutual
26 insurance company may approve the redomestication plan, as
27 well as the plan and agreement for merger and reorganization
28 as provided in subsection (2), in a contemporaneous vote.

29 Section 2. Subsection (5) is added to section 628.231,
30 Florida Statutes, to read:

31 628.231 Directors; number, election.--

1 (5) In discharging his or her duties, a director may
2 consider such factors as the directors deem relevant,
3 including, but not limited to, the long-term prospects and
4 interests of the corporation and its shareholders, the social,
5 economic, legal, or other effects of any action on the
6 employees, suppliers, or customers of the corporation or its
7 subsidiaries, the communities and society in which the
8 corporation or its subsidiaries operate, and the economy of
9 the state and the nation. The director may also consider the
10 short-term and long-term interests of the insurer, including,
11 but not limited to, benefits that may accrue to the insured
12 from the insurer's long-term plans, the possibility that such
13 interests may be best served by the continued independence of
14 the insurer, the resources, intent, and past, present, and
15 potential conduct of any person seeking to acquire control of
16 the insurer, and any other relevant factors.

17 Section 3. Subsection (5) is added to section 628.723,
18 Florida Statutes, to read:

19 628.723 Directors; number; election.--

20 (5) In discharging his or her duties, a director may
21 consider such factors as the directors deem relevant,
22 including, but not limited to, the long-term prospects and
23 interests of the corporation and its shareholders, the social,
24 economic, legal, or other effects of any action on the
25 employees, suppliers, or customers of the corporation or its
26 subsidiaries, the communities and society in which the
27 corporation or its subsidiaries operate, and the economy of
28 the state and the nation. The director may also consider the
29 short-term and long-term interests of the insurer, including,
30 but not limited to, benefits that may accrue to the insured
31 from the insurer's long-term plans, the possibility that such

1 interests may be best served by the continued independence of
2 the insurer, the resources, intent, and past, present, and
3 potential conduct of any person seeking to acquire control of
4 the insurer, and any other relevant factors.

5 Section 4. This act shall take effect upon becoming a
6 law.

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9 HOUSE SUMMARY

10 Authorizes a mutual insurance holding company to merge or
11 consolidate with, or acquire the assets of, a foreign
12 mutual insurance company. Authorizes directors of
13 domestic insurers and mutual insurance holding companies
14 to consider a variety of factors while taking corporate
15 action in discharging their duties.
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