

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

11 Representative(s) Tullis offered the following:

Amendment (with title amendment)

14 On page 2, line 6, through page 3, line 8,
15 remove from the bill: all of said lines,

17 and insert in lieu thereof: holding company writes insurance,
18 a mutual insurance company;—

19 (f) Jointly, with a domestic or foreign mutual
20 insurance company which redomesticates pursuant to s. 628.520,
21 file an application with the department, pursuant to the
22 provisions of this part, to merge the domestic or foreign
23 mutual insurance company policyholder's membership interests
24 into the mutual insurance holding company. The reorganizing
25 mutual insurance company may merge with the mutual insurance
26 holding company's stock subsidiary or continue its corporate
27 existence as a domestic stock insurance company subsidiary.
28 The members of the foreign mutual insurance company may
29 approve in a contemporaneous vote both the redomestication
30 plan and the agreement for merger and reorganization; or

31 (g) Merge or consolidate with, or acquire the assets

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1 of, a domestic or foreign reciprocal insurance company, a
2 group self-insurance fund, or any other similar entity.

3 (2) A reorganization pursuant to this section is
4 subject to the applicable procedures prescribed by the laws of
5 this state applying to corporations formed for profit, except
6 as otherwise provided in this subsection.

7 (a) The plan and agreement for merger shall be
8 submitted to and approved by a majority of the members,
9 policyholders, or subscribers of each domestic mutual
10 insurance holding company, mutual insurance company, stock
11 insurance company, or domestic or foreign reciprocal insurance
12 company, involved in the merger who vote either in person or
13 by proxy thereon at meetings called for the purposes pursuant
14 to such reasonable notice and procedure as has been approved
15 by the department.

16 (b) No such merger shall be effectuated unless in
17 advance thereof, the plan and agreement therefor have been
18 filed with the department and approved by it after a public
19 hearing, which shall be held within 6 days after receipt by
20 the department of such plan and agreement. The department may
21 retain outside consultants to evaluate the merger. The
22 domestic mutual insurance holding company shall pay reasonable
23 costs associated with retaining such consultants. Such
24 payments shall be made directly to the consultant. The
25 department shall give such approval unless it finds such plan
26 or agreement:

27 1. Is inequitable to the policyholders of any domestic
28 insurer involved in the merger or the members of any domestic
29 mutual insurance holding company involved in the merger; or

30 2. Would substantially reduce the security of and
31 service to be rendered to policyholders of a domestic insurer

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1 in this state.

2 (c) All of the initial shares of the capital stock of
3 the reorganized subsidiary insurance company shall be issued
4 either to the mutual insurance holding company, or to an
5 intermediate holding company which is wholly owned by the
6 mutual insurance holding company. The membership interests of
7 the policyholders of the reorganized insurance company shall
8 become membership interests in the mutual insurance holding
9 company. Policyholders of the reorganized insurance company
10 shall be members of the mutual insurance holding company in
11 accordance with the articles of incorporation and bylaws of
12 the mutual insurance holding company. The mutual insurance
13 holding company shall at all times own a majority of the
14 voting shares of the capital stock of the reorganized
15 subsidiary insurance company.

16 (d) For property and casualty insurers, the rights of
17 the members of the merging entities under s. 628.729, for a
18 period of 3 years after the merger, shall be the proportionate
19 share of the total surplus of the merging entities as
20 determined by the percentage of the surplus contributed by
21 each of the merging entities to the total surplus of the
22 surviving entity on the date of the merger.

23
24
25 ===== T I T L E A M E N D M E N T =====

26 And the title is amended as follows:

27 On page 1, lines 8-11,
28 remove from the title: all of said lines,

29
30 and insert in lieu thereof:

31 circumstances; authorizing a mutual insurance

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1 holding company to merge or consolidate with,
2 or acquire the assets of, certain entities;
3 authorizing the Department of Insurance to
4 retain certain consultants for merger
5 evaluation purposes; requiring certain
6 companies to pay consultant costs; providing a
7 methodology for determining the rights of
8 certain merging entities; amending ss.

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