Florida House of Representatives - 2000 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.
14	
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 acquisitionsSubject 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
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(5) In discharging his or her duties, a director may 1 2 consider such factors as the directors deem relevant, including, but not limited to, the long-term prospects and 3 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 short-term and long-term interests of the insurer, including, 10 but not limited to, benefits that may accrue to the insured 11 12 from the insurer's long-term plans, the possibility that such 13 interests may be best served by the continued independence of the insurer, the resources, intent, and past, present, and 14 potential conduct of any person seeking to acquire control of 15 16 the insurer, and any other relevant factors. Section 3. Subsection (5) is added to section 628.723, 17 Florida Statutes, to read: 18 628.723 Directors; number; election.--19 20 (5) In discharging his or her duties, a director may consider such factors as the directors deem relevant, 21 22 including, but not limited to, the long-term prospects and interests of the corporation and its shareholders, the social, 23 economic, legal, or other effects of any action on the 24 employees, suppliers, or customers of the corporation or its 25 26 subsidiaries, the communities and society in which the corporation or its subsidiaries operate, and the economy of 27 28 the state and the nation. The director may also consider the 29 short-term and long-term interests of the insurer, including, but not limited to, benefits that may accrue to the insured 30 from the insurer's long-term plans, the possibility that such 31

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interests may be best served by the continued independence of the insurer, the resources, intent, and past, present, and potential conduct of any person seeking to acquire control of the insurer, and any other relevant factors. Section 4. This act shall take effect upon becoming a б law. HOUSE SUMMARY Authorizes a mutual insurance holding company to merge or consolidate with, or acquire the assets of, a foreign mutual insurance company. Authorizes directors of domestic insurers and mutual insurance holding companies to consider a variety of factors while taking corporate action in discharging their duties.

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