

1979 Senate Bill 61

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## CHAPTER 94, Laws of 1979

AN ACT to renumber and amend 611.72 (3); to amend 611.72 (title), (1) and (2); and to create 611.72 (3) (a) to (e) of the statutes, relating to regulation of acquisition of control of or merger with any domestic insurer or any insurance holding corporation which is the parent of a domestic insurer.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 611.72 (title), (1) and (2) of the statutes are amended to read:

**611.72 (title) Merger, consolidation or other acquisition of control of stock insurance corporations.** (1) GENERAL. Subject to this section, ss. 180.62 to 180.685 apply to the merger ~~and~~ or consolidation of a domestic stock insurance ~~corporations~~ corporation or its parent insurance holding corporation, except that papers required by those sections to be filed with the secretary of state shall instead be filed with the commissioner.

(2) APPROVAL REQUIRED. No proposed plan of merger or consolidation plan under ss. 180.62 to 180.685 and 180.72 or other plan for acquisition of control may be submitted to the shareholders of any domestic stock insurance corporation or its parent insurance holding corporation participating in the transaction or executed unless it has been approved by the commissioner.

SECTION 2. 611.72 (3) of the statutes is renumbered 611.72 (3) (intro.) and amended to read:

611.72 (3) GROUNDS FOR DISAPPROVAL. (intro.) The commissioner shall approve the plan ~~unless he~~ if the commissioner finds, after a hearing, that it would not violate the law or be contrary to the interests of the insureds of any participating domestic corporation or of the Wisconsin insureds of any participating nondomestic corporation. and that:

SECTION 3. 611.72 (3) (a) to (e) of the statutes are created to read:

611.72 (3) (a) After the change of control, the domestic stock insurance corporation or any domestic stock insurance corporation controlled by the insurance holding corporation would be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(b) The effect of the merger, consolidation or other acquisition of control would not be to create a monopoly or substantially to lessen competition in insurance in this state;

(c) The financial condition of any acquiring party is not likely to jeopardize the financial stability of the domestic stock insurance corporation or its parent insurance holding corporation, or prejudice the interests of its Wisconsin policyholders;

(d) The plans or proposals which the acquiring party has to liquidate the domestic stock insurance corporation or its parent insurance holding corporation, sell its assets, or consolidate or merge it with any person, or make any other material change in its business or corporate structure or management are fair and reasonable to policyholders of the domestic stock insurance corporation or in the public interest; and

(e) The competence and integrity of those persons who would control the operation of the domestic stock insurance corporation or its parent insurance holding corporation are such that it would be in the interest of the policyholders of the corporation and of the public to permit the merger or acquisition of control.

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