

LAWS OF DELAWARE
VOLUME 83
CHAPTER 320
151st GENERAL ASSEMBLY
FORMERLY
HOUSE BILL NO. 323

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO MERGERS OR CONSOLIDATION OF INSURERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 4930, Title 18 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 4930. Merger, consolidation of stock insurers.

(a) A domestic stock insurer may merge or consolidate with 1 or more domestic or foreign stock insurers by complying with the applicable provisions of the statutes of this State governing the merger or consolidation of stock corporations formed for profit but subject to subsections (b) and (c) of this section below. A domestic stock insurer ~~shall~~ may not merge or consolidate with any corporation not formed for the purpose of transacting insurance as an insurer.

(b) No such merger or consolidation ~~shall~~ may be effectuated unless in advance thereof the plan and agreement therefor have been filed with the Commissioner and approved in writing by the Commissioner after a hearing thereon after notice to the stockholders of each insurer involved. The Commissioner shall give such approval within a reasonable time after such filing unless the Commissioner finds such plan or ~~agreement~~; agreement is one or more of the following:

(1) Is contrary to ~~law~~; or law.

(2) Unfair or inequitable to the stockholders of any insurer ~~involved~~; or involved.

(3) Would substantially reduce the security of and service to be rendered to policyholders of the domestic insurer in this State or ~~elsewhere~~; or elsewhere.

(4) Would materially tend to lessen competition in the insurance business in this State or elsewhere as to the kinds of insurance involved or would materially tend to create a monopoly as to such ~~business~~; or business.

(5) Is subject to other material and reasonable objections.

(c) No director, officer, agent or employee of any insurer party to such merger or consolidation ~~shall~~ may receive any fee, commission, compensation or other valuable consideration, whatsoever for, in any manner aiding, promoting or assisting therein except as set forth in such plan or agreement.

(d) If the Commissioner does not approve any such plan or agreement the Commissioner shall so notify the insurer in writing specifying reasons therefor.

(e) The Commissioner may retain at the applicant's expense any attorneys, actuaries, accountants, and other experts not otherwise a part of the Commissioner's staff as may be reasonably necessary to assist the Commissioner in reviewing the proposed merger or consolidation.

Approved June 14, 2022