

§4356. Grounds for rehabilitation of domestic insurer or domiciled alien insurer

The superintendent may petition for an order directing the superintendent to rehabilitate a domestic insurer or an alien insurer domiciled in this State on any one or more of the following grounds: [RR 2021, c. 1, Pt. B, §352 (COR).]

1. On any ground for liquidation of the insurer under section 4357, if the superintendent believes rehabilitation possible without substantial increase of risk to creditors, policyholders or the public; [PL 1973, c. 585, §12 (AMD).]

2. If the insurer is in unsound condition, or is using or has been subject to, such methods and practices in conduct of its business as to render its further transaction of insurance presently or prospectively hazardous to its policyholders, or creditors, or the public; [PL 1969, c. 132, §1 (NEW).]

3. If the insurer's solvency is endangered by illegal action; [PL 1969, c. 132, §1 (NEW).]

4. For material falsification of the insurer's records, reports or financial condition; [PL 1969, c. 132, §1 (NEW).]

5. If the superintendent finds after hearing that any individual exercising executive power with respect to or otherwise materially influencing or controlling the insurer, directly or indirectly, is dishonest or untrustworthy in matters affecting the insurer, and has not been or cannot effectively and permanently be removed from such power, influence or control; [PL 1973, c. 585, §12 (AMD).]

6. For unlawful concealment or removal by the insurer of any of its records or assets; [PL 1969, c. 132, §1 (NEW).]

7. For failure of the insurer, or its parent corporation, or subsidiary or affiliated person controlled by the insurer, to submit its books, accounts, records and affairs to the reasonable inspection or examination of the superintendent or his examiner as authorized under this Title; or if any individual exercising any executive authority in the affairs of the insurer or parent corporation or subsidiary or affiliated person has refused to be examined under oath, by the superintendent or his examiner thereunto duly authorized, whether within this State or otherwise, concerning the pertinent affairs of the insurer or parent corporation or subsidiary or affiliated person, or if examined under oath refuses to divulge pertinent information reasonably known to him; or for failure of officers, employees and other representatives of the insurer or parent corporation or subsidiary or affiliated person to comply promptly with the reasonable requests of the superintendent or his examiner for the purposes of and during the conduct of any such examination; [PL 1973, c. 585, §12 (AMD).]

8. That a deadlock exists in the insurer's board of directors relative to the general management of the insurer's affairs, that the insurer's stockholders or members, as to a mutual insurer, are unable to break the deadlock, and that the same threatens irreparable injury to the insurer or its creditors or its policyholders or to the public; [PL 1969, c. 132, §1 (NEW).]

9. If the insurer has transferred or attempted to transfer substantially its entire property or business, or has entered into any transaction the effect of which is to merge or consolidate substantially its entire property or business in that of any other insurer, without first having obtained the written approval of the superintendent as required under this Title; [PL 1973, c. 585, §12 (AMD).]

10. If the controlling stock of the insurer has been transferred to others without compliance with the requirements of section 3476 (acquisition of controlling stock), except where such transfer is by testamentary bequest or inheritance;
[PL 1969, c. 132, §1 (NEW).]

11. If the insurer has willfully violated its charter or a law of this State, or has willfully exceeded its corporate powers;
[PL 1969, c. 132, §1 (NEW).]

12. If the insurer has requested or consented to rehabilitation by vote or written authorization of a majority of its directors or stockholders, or members, as to mutual insurers;
[PL 2013, c. 238, Pt. A, §32 (AMD); PL 2013, c. 238, Pt. A, §34 (AFF).]

13. If the insurer has failed to pay any valid judgment against it within 30 days after the same became final; or
[PL 2013, c. 238, Pt. A, §32 (AMD); PL 2013, c. 238, Pt. A, §34 (AFF).]

14. If a violation of section 222, subsection 4-C prevents the superintendent from sufficiently understanding the enterprise risk to the insurer posed by its affiliates or by its insurance holding company system.
[PL 2013, c. 238, Pt. A, §33 (NEW); PL 2013, c. 238, Pt. A, §34 (AFF).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). PL 2013, c. 238, Pt. A, §§32, 33 (AMD). PL 2013, c. 238, Pt. A, §34 (AFF). RR 2021, c. 1, Pt. B, §352 (COR).

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