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## INSURANCE CODE - INS

**DIVISION 1. GENERAL RULES GOVERNING INSURANCE [100 - 1879.8]** ( *Division 1 enacted by Stats. 1935, Ch. 145. )*

**PART 2. THE BUSINESS OF INSURANCE [680 - 1879.8]** ( *Part 2 enacted by Stats. 1935, Ch. 145. )*

**CHAPTER 1. General Regulations [680 - 1113]** ( *Chapter 1 enacted by Stats. 1935, Ch. 145. )*

### ARTICLE 16. Approval of Reinsurance Plans [1080 - 1091] ( *Article 16 enacted by Stats. 1935, Ch. 145. )*

**1080.** Any domestic incorporated mutual life insurer or disability insurer or life and disability insurer issuing nonassessable policies on a reserve basis may merge, consolidate or otherwise unite with or become a part of, or may reinsure all of its policies with, and, upon the assumption of all of its liabilities, may transfer its assets to, any incorporated mutual insurer admitted to transact the business of life, disability or life and disability insurance in this State. The plan and agreement by which any such transaction is to be effected shall be submitted to the commissioner who shall examine the same and may require such provisions to be inserted in the agreement and such actions to be taken in connection with the transaction as he may deem necessary in order that the transaction shall be mutually fair and equitable between the respective members and policyholders of the companies parties to the transaction.

When any such plan and agreement shall have been approved by the commissioner the same shall be approved in the case of each domestic insurer party to the merger or consolidation or the reinsuring of its policies and transferring of its assets by two-thirds of the votes cast by the members thereof represented in person or by proxy at a meeting called to consider the same. Notice of said meeting and its purpose shall be given by mail at least 30 days before the day fixed for the meeting to members whose insurance shall have been in force for at least one year prior to such meeting, at their addresses appearing on the books maintained at the home office of the company. With respect to those members whose addresses do not appear on such books of the company notice shall be deemed to have been given if published at least once in some newspaper of general circulation in the county in which the principal office of the company is located. At such meeting the presence in person or by proxy of 5 percent of such members of such insurer shall constitute a quorum. In the absence of a quorum the members present at the meeting in person or by proxy may adjourn the meeting to a later date. No further notice need be given of the date to which the meeting is adjourned. If the vote is in the affirmative a certified copy of all proceedings relating to the proposed transaction shall be filed with the commissioner. If one of the insurance companies is a foreign company there shall be filed with the commissioner evidence of such approval, consent or other authorization as may be required by the laws of the state of incorporation of said foreign insurance company evidencing the power of the foreign insurance company to assume and carry out the agreement by which such transaction is effected. If the commissioner finds that the proceedings have been in accordance with the law and his requirements he shall approve the agreement which shall thereupon become effective.

(*Added by Stats. 1957, Ch. 979.*)

**1090.** An insurer which is insolvent, retiring from business in this state other than by merger or consolidation into an admitted insurer with the commissioner's prior written consent, or the required paid-in capital of which is impaired, shall not reinsure its business until its plan to effect such reinsurance is first submitted to the commissioner and approved by him.

(*Amended by Stats. 1969, Ch. 1055.*)

**1091.** The retiring insurer shall pay to the commissioner a fee of one thousand seven hundred ninety-four dollars (\$1,794) for filing the documents initiating approval proceedings under this article. If the plan be approved and consummated the retiring insurer shall apply for withdrawal under Article 15 of this chapter and that fee shall also cover the services and expenses of the commissioner in connection with the withdrawal.

(*Amended by Stats. 2017, Ch. 534, Sec. 20. (AB 1699) Effective January 1, 2018.*)