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INSURANCE CODE - INS

DIVISION 2. CLASSES OF INSURANCE [1880 - 12880.8] (*Division 2 enacted by Stats. 1935, Ch. 145.*)

PART 1. FIRE AND MARINE INSURANCE [1880 - 10108.1] (*Part 1 enacted by Stats. 1935, Ch. 145.*)

CHAPTER 5. County Mutual Fire Insurers [5050 - 7060] (*Chapter 5 enacted by Stats. 1935, Ch. 145.*)

ARTICLE 9.5. Merger [7040 - 7044.5] (*Article 9.5 added by Stats. 1959, Ch. 1963.*)

7040. Notwithstanding the provisions of Section 900 of the Corporations Code, any two or more of such insurers may merge. The plan and agreement by which any such merger 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 merger (including but not limited to: (1) the terms of the merger, (2) the terms of the notice of the vote by the members of each such insurer on the merger, and (3) the manner and form of voting thereon by the members of each such insurer) 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 merger. The commissioner shall not approve any such plan and agreement if the bylaws of any insurer party to the merger have been amended within one year prior to the date of filing of such plan and agreement with the commissioner.

(Amended by Stats. 1978, Ch. 349.)

7041. When any such plan and agreement shall have been approved by the commissioner, with changes, if any required by him, the same shall be approved by a vote of not less than two-thirds of the members voting at a meeting of the members of each such insurer involved at which there shall be present in person or by proxy at least 10 percent of the members entitled to vote.

(Added by Stats. 1959, Ch. 1963.)

7042. If the vote is in the affirmative a certified copy of all proceedings relating to the proposed merger shall be filed with the commissioner. If the commissioner finds that the proceedings have been in accordance with the law and his or her requirements, he or she shall issue his or her certificate approving the plan and agreement and the merger shall become effective when the certificate, the agreement, and any other documents required by law have been filed with the Secretary of State.

The fee for issuing a certificate approving the merger shall be three hundred nine dollars (\$309) for the original certificate, payable in advance, with the filing of the first merger papers with the commissioner; and nine dollars (\$9) shall be charged for each signed and sealed or certified copy thereof issued as part of the same transaction in which the original certificate is issued.

(Amended by Stats. 2017, Ch. 534, Sec. 56. (AB 1699) Effective January 1, 2018.)

7043. After any merger made under the provisions of this article shall have been completed, the surviving corporation shall be deemed, for the purpose of the territorial limit provided in Section 6048, to have been organized not only in its county of organization but also in the county of organization of the county mutual insurer which was merged into it.

(Added by Stats. 1959, Ch. 1963.)

7044. Any plan of merger under this article shall provide that all rights and properties of the parties to the plan of merger shall accrue to and become the rights and properties of the surviving corporation, which surviving corporation shall succeed to and assume all the obligations and liabilities of the merged corporations in the same manner as if incurred or contracted by the surviving corporation.

(Added by Stats. 1959, Ch. 1963.)

7044.5. Any one or more county mutual fire insurers, by following the procedure of this article, may merge into a general mutual insurer described in Chapter 4 (commencing with Section 4010) of Part 1, Division 2 of this code. Such general mutual insurer shall become the surviving corporation.

Any two or more county mutual fire insurers may merge, concurrently with the transformation of one of the constituent corporations under Article 9.6 (commencing with Section 7045) of Chapter 5, Part 1, Division 2 into a general mutual insurer. The constituent transformed into a general mutual insurer shall be the surviving corporation.

(Added by Stats. 1967, Ch. 455.)