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Code: Section:

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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 6. County Mutual Fire Reinsurers [7080 - 9060] (Chapter 6 enacted by Stats. 1935, Ch. 145.)

ARTICLE 1. Formation and Organization [7080 - 7093] (Article 1 enacted by Stats. 1935, Ch. 145.)

7080. Five or more insurers, operating under Chapter 5 of this part and having insurance liabilities exceeding a total of \$150,000 which they wish to reinsure, may incorporate for the purpose of mutual reinsurance against any loss or damage by any hazard which county mutual fire insurers may insure.

(Amended by Stats. 1939, Ch. 932.)

7081. Upon payment in advance of two hundred fifty dollars (\$250) cash, lawful money of the United States, to the commissioner for all services to be rendered by him in the matter of the organization of the reinsurer, such insurers shall first file with the commissioner a declaration of their intention to incorporate such a reinsurer.

(Amended by Stats. 1963, Ch. 1917.)

7082. The declaration shall be signed by the president and secretary of each of the incorporators. It shall be accompanied by a certified copy of a resolution passed by the board of directors of each incorporator stating that it is the desire of the particular insurer to become one of the incorporators. Such declaration shall also contain a copy of the articles of incorporation proposed to be adopted.

(Enacted by Stats. 1935, Ch. 145.)

7083. The articles shall be executed by each incorporator through its president or secretary, each signature being acknowledged as required by the general corporation law.

(Enacted by Stats. 1935, Ch. 145.)

7084. The commissioner shall examine the proposed articles of incorporation, and if they conform to this chapter, he shall deliver to such incorporators a certificate permitting them to incorporate as such reinsurer. The certificate shall contain the proposed articles of incorporation.

(Enacted by Stats. 1935, Ch. 145.)

7085. Upon filing with the Secretary of State of the articles of incorporation and the certificate provided for in Section 7084, the incorporation of the reinsurer shall be complete and it may engage in business as such reinsurer upon applying for and obtaining from the commissioner a certificate of authority. The term and nature of such certificate of authority, annual renewal fee therefor, the due date and delinquent date of such fee shall be the same as provided by Article 3, Chapter 1, Part 2, Division 1, of this code for stock and mutual insurers governed by said article. No county mutual fire reinsurer shall transact business in this State without a valid and subsisting certificate of authority as provided for herein; provided, however, that any such reinsurer presently authorized to conduct such business shall not be required to pay the first ten dollars (\$10) annual certificate of authority fee until April 1, 1964.

(Amended by Stats. 1963, Ch. 1917.)

7086. Three delegates shall be elected by each member at its regular annual meeting to represent it at all meetings of the reinsurer.

(Enacted by Stats. 1935, Ch. 145.)

7087. The delegates shall be elected by ballot and shall hold office for one year, or until their successors have been elected and qualified.

(Enacted by Stats. 1935, Ch. 145.)

7088. The annual meeting of the members of the reinsurer shall be held on the third Monday in February of each year.

(Amended by Stats. 1941, Ch. 117.)

7089. At such meeting one director shall be elected from the delegates of each member so that the number of directors is equal to the number of members of the reinsurer. The by-laws shall fix the manner of, and time for, increasing or diminishing the number of member insurers and, correspondingly, of directors. A majority of the directors shall constitute a quorum for the transaction of business.

(Enacted by Stats. 1935, Ch. 145.)

7090. In the election of the first board of directors each member insurer shall be entitled to one vote. At every subsequent election, each delegate from each member shall have as many votes as there are directors to be elected, and he may cast the votes in person or by proxy, distributing them among the directors to be elected or among a less number of directors, or cumulating them upon one candidate as he sees fit.

(Enacted by Stats. 1935, Ch. 145.)

7091. The directors of the reinsurer shall elect from their own number a president, a vice president, and an executive committee of three. They shall also elect a treasurer and a secretary, who need not be members of any member insurer nor natural persons.

(Enacted by Stats. 1935, Ch. 145.)

7092. The directors and all of such officers shall hold office for one year from the date of their election, and until their successors are elected and qualified.

(Enacted by Stats. 1935, Ch. 145.)

7093. The treasurer and secretary shall give bonds to the reinsurer in such amounts as are prescribed by the board of directors, conditioned upon the faithful performance of their duties.

(Enacted by Stats. 1935, Ch. 145.)