

IC 27-3

ARTICLE 3. CONSOLIDATIONS AND REORGANIZATION

IC 27-3-1

Chapter 1. Exchange of Securities

IC 27-3-1-1

Construction and application

Sec. 1. This chapter shall be supplemental to IC 27-1. All provisions of IC 27-1 shall be fully and completely applicable to this chapter in the same manner as if the provisions of this chapter had been an original part of IC 27-1; provided, that the provisions of this chapter shall be controlling in the event there exists any conflict between the provisions of this chapter and the provisions of IC 27-1. *(Formerly: Acts 1967, c.61, s.1.) As amended by P.L.252-1985, SEC.138.*

IC 27-3-1-2

Authority to adopt plan of exchange

Sec. 2. Any domestic stock insurance company (referred to in this chapter as the "domestic company") may adopt a plan of exchange providing for the exchange by its shareholders of their stock in the domestic company for:

- (i) shares of stock issued by any other stock insurance corporation organized or reorganized under the provisions of IC 27-1 or any statute enacted prior to March 8, 1935, or any stock corporation organized under the provisions of IC 23-1 or any foreign stock corporation (such other corporation is referred to in this chapter as the "acquiring corporation");
- (ii) other securities issued by the acquiring corporation;
- (iii) cash;
- (iv) other consideration; or
- (v) any combination of such stock, such other securities, cash, or other consideration.

(Formerly: Acts 1967, c.61, s.2.) As amended by P.L.252-1985, SEC.139.

IC 27-3-1-3

Manner of adoption of plan of exchange; approvals; compensation of dissenting shareholders

Sec. 3. (a) Subject to section 2 of this chapter, any domestic company may adopt a plan of exchange with any acquiring corporation providing for the exchange of the outstanding stock of the domestic company for shares of stock or other securities issued by the acquiring corporation or cash or other consideration, or any combination, in the following manner. The boards of directors of the domestic company and of the acquiring corporation by resolutions approved by a majority of the whole of each board shall adopt a plan of exchange that sets forth the terms and conditions of the exchange

and the mode of carrying the terms and conditions into effect and other provisions with respect to the exchange as may be deemed necessary or desirable.

(b) The domestic company and the acquiring corporation shall submit to the insurance commissioner three (3) copies of the plan of exchange certified by an officer of each as having been adopted in accordance with subsection (a). The copies of the plan of exchange shall be accompanied by financial statements of the domestic company for its last preceding fiscal year prepared pursuant to IC 27-1-20-21, pro forma financial statements of each corporation based on the assumption that the plan of exchange was effective as proposed at the end of the last preceding fiscal year of the domestic company, an estimate of expenses already incurred and of expenses expected to be incurred in connection with the proposed plan of exchange, and a written statement that sets forth for each corporation the proposed changes, if any, in management policies and in the identity of officers and directors of the domestic company and of the acquiring corporation that are initially contemplated if the plan of exchange is effected as proposed. The insurance commissioner shall hold a hearing upon the fairness of the terms, conditions, and provisions of the plan of exchange and the proposed exchange of stock or other securities of the acquiring corporation or cash or other consideration or any combination thereof for the stock of the domestic company at which the policyholders and the shareholders of both the domestic company and the acquiring corporation and any other interested party may appear and to become party to the proceeding. The commissioner shall require the domestic company and the acquiring corporation to produce evidence as the commissioner considers necessary to establish the foregoing, including evidence concerning the valuation of the respective companies and the method utilized by the management of each corporation to accomplish the valuation, inclusive of the value established with respect to the stock of the domestic company that is proposed to be exchanged as well as the value of the stock, securities, and consideration other than cash to be offered by the acquiring corporation in the exchange. The hearing shall be commenced not less than twenty (20) days after the date on which the plan of exchange is presented to the commissioner. The hearing shall be held in Indianapolis, Indiana, at a place, date, and time specified by the insurance commissioner. Notice of the hearing shall be published in a newspaper of general circulation in the city where the principal office of the domestic company and of the acquiring corporation are located and Indianapolis once a week for two (2) successive weeks. Written notice of the hearing shall be mailed at least ten (10) days before the hearing by the domestic company and by the acquiring corporation to all of their respective shareholders. All expenses of publication shall be borne by the domestic company or the acquiring corporation, or both, as specified in the plan of exchange. Except as otherwise provided in this section, the hearing and the determination are subject to IC 4-21.5-3. The commissioner

shall issue an order approving the plan of exchange as delivered to the commissioner by the domestic company and the acquiring corporation and the modifications approved by a majority of the whole board of directors of each corporation if the commissioner finds:

- (1) that the plan, including all modifications, if effected, will not tend adversely to affect the financial stability or management of the domestic company or the general capacity or intention to continue the safe and prudent transaction of the insurance business of the domestic company, or of the acquiring corporation, if it is a domestic insurance company;
- (2) that the interests of the policyholders and shareholders of the domestic company, and, if the acquiring corporation is a domestic insurance company, the policyholders of the acquiring corporation are protected;
- (3) that the fulfillment of the plan will not affect either the contractual obligations of the domestic company and of the acquiring corporation, if it is a domestic insurance company, to its policyholders or the ability and tendency of either to render service to its policyholders in the future; and
- (4) that the terms and conditions of the plan of exchange and the proposed issuance and exchange are fair and reasonable.

The order of the commissioner approving or disapproving the plan of exchange shall be filed in the department within sixty (60) days after the date the plan of exchange is presented to the commissioner. The department shall give notice of the order in the manner prescribed in IC 4-21.5-3 to all parties to the proceeding, and the department shall endorse the commissioner's approval or disapproval on the plan of exchange in the manner provided in IC 27-1-6-8 and shall deliver copies to the domestic company and to the acquiring corporation. Any party to the proceeding aggrieved by the order are entitled to a judicial review of the order in accordance with IC 4-21.5-5.

(c) The plan of exchange as approved by the insurance commissioner shall then be submitted to a vote of the shareholders of the domestic company at an annual or special meeting of the shareholders. Notice of the submission of the plan to the shareholders shall be included in the notice of the annual or special meeting. The shareholders entitled to vote in respect of the plan may vote in person or by proxy, and each shareholder has one (1) vote for each share of voting stock held by the shareholder. Jointly owned shares may only be voted jointly. The plan shall be approved by the shareholders of the domestic company upon receiving the affirmative votes representing two thirds (2/3) of the outstanding capital stock of the domestic company or a larger proportion as may be specified in the plan of exchange. Notwithstanding shareholder adoption of the plan of exchange and at any time before the filing of the certificate setting forth the plan of exchange by the department, pursuant to section 4 of this chapter, the plan of exchange may be abandoned pursuant to a provision for abandonment, if any, contained in the

plan of exchange.

(d) Within ten (10) days after the plan of exchange is adopted by the shareholders of the domestic company, a written notice of the adoption of the plan of exchange shall be mailed or delivered personally to each shareholder of record of the company who was entitled to vote on the plan. The domestic company shall file with the department an affidavit of the secretary or an assistant secretary of the company or of an officer of the transfer agent of the company that the notice was given.

(e) Any shareholder of the domestic company owning shares not voted in favor of the plan at the meeting at which the plan was approved by the shareholders of the domestic company may object in writing to the plan and demand payment, should the plan become effective, of the fair value of any shares as of the day on which the plan of exchange was approved by the shareholders of the domestic company pursuant to subsection (c). The objection and demand must be received, together with the certificate or certificates representing the shares with respect to which objection and demand have been made for notation that the objection and demand have been made, by the domestic company or its transfer agent within thirty (30) days after the date of the meeting of shareholders. The objection and demand may not pertain to any shares that were voted in favor of the plan. Objection and demand can only be made jointly by the holders of any share jointly held. The objection and demand may not be withdrawn unless the domestic company, by an authorized officer, consents in writing. Upon the plan of exchange becoming effective, the holder of any shares, with respect to which the objection and demand have been made and certificates for which have been delivered to the domestic company or its transfer agent for notation, or any transferee, ceases to be a shareholder of the domestic company with respect to the shares and does not have rights with respect to the shares except the right to receive payment for the shares under this subsection. Every shareholder failing to make objection and demand accompanied by certificates representing the shares with respect to which the objection and demand have been made or withdrawing the objection and demand as provided in this subsection are conclusively presumed to have assented to, and to have agreed to be bound by, the plan of exchange in accordance with its terms. Within forty-five (45) days after the date of the meeting of shareholders of the domestic company at which the plan of exchange was approved by the shareholders, the domestic company, or, if the plan of exchange specifies, the acquiring corporation, shall mail a written offer to each holder of record of shares with respect to which an objection and demand have been made, as provided in this subsection, to pay for the shares a price per share considered by the corporation to be the fair value of the shares as of the date of the meeting. The form of written offer to be used, including the price per share, shall first be submitted to and approved by the insurance commissioner. If the offer is accepted in writing by the holder, the corporation shall pay the holder, within forty-five (45) days after the

date of the plan of exchange becoming effective, the price upon the surrender of the certificate or certificates representing the shares. If, within thirty (30) days after the date of the mailing of the written offer, the domestic company or the acquiring corporation, as the case may be, and a shareholder do not agree, the corporation or the shareholder may, within ninety (90) days after the date of the mailing of the written offer, petition the circuit or the superior court of the county in which the principal office of the domestic company is located to appraise the fair value of the shares as of the date of the meeting of shareholders of the domestic company at which the plan of exchange was approved by the shareholders and payment of the appraised value of the shares shall be made by the domestic company or, if the plan of exchange so specifies, the acquiring corporation within sixty (60) days after the entry of the judgment or order finding the appraised value upon the surrender of the certificate or certificates representing the shares. The practice, procedure, and judgment in the circuit or superior court upon the petition is the same, so far as practical, as that under IC 32-24. The judgment of the circuit or superior court is final. All shares acquired by the domestic company upon payment of the value of the shares shall be canceled by the board of directors of the domestic company upon the plan of exchange becoming effective or at any time after the plan becomes effective and the capital stock of the domestic company shall be decreased in accordance with IC 27-1-8-12. If the plan of exchange does not become effective, the right of shareholders or transferees to be paid the fair value of their shares under this subsection shall cease, and their status shall be the same as that of shareholders who voted in favor of the plan. If a shareholder or the shareholder's transferee with respect to any share or shares for which objection and demand has been made:

- (1) withdraws the objection and demand in the manner provided by this subsection;
- (2) fails to submit a certificate or certificates at the time and in the manner required by this subsection;
- (3) does not file a petition for the determination of fair value within the time and in the manner provided in this subsection and neither the domestic company nor the acquiring corporation files a petition for such determination; or
- (4) is adjudged by a court of competent jurisdiction not to be entitled to the relief provided by this subsection;

the right of the shareholder or the shareholder's transferee to be paid the fair value of the share or shares under this subsection shall cease, and the shareholder's status with respect to the share or shares is the same as that of a shareholder who voted in favor of the plan.

(Formerly: Acts 1967, c.61, s.3.) As amended by P.L.252-1985, SEC.140; P.L.7-1987, SEC.143; P.L.2-2002, SEC.82.

IC 27-3-1-4

Filing; time plan becomes effective

Sec. 4. Not earlier than thirty-one (31) days after the date of the

meeting of shareholders of the domestic company at which the plan of exchange was approved by such shareholders, a certificate setting forth the plan of exchange, the manner of the approval thereof by the directors of the acquiring corporation and the domestic company and the manner of its adoption and the vote by which adopted by the shareholders of the domestic company or setting forth that the plan of exchange has been abandoned shall be signed on behalf of each such corporation by its president or a vice-president and shall then be presented in triplicate to the department at its office for filing. The department shall file one (1) copy of such certificate in its offices and shall deliver copies bearing the date and time of filing endorsed thereon to the domestic company and the acquiring corporation. Upon the filing of such certificate, the plan of exchange and the issuance and exchange provided for therein shall become effective, unless a later date and time is specified in the plan of exchange, in which event the plan of exchange and the issuance and exchange provided for therein shall become effective upon such later date and time.

(Formerly: Acts 1967, c.61, s.4.)

IC 27-3-1-5

Vesting of title to shares without physical transfer or deposit of certificates; rights represented by outstanding certificates

Sec. 5. (a) Upon the plan of exchange becoming effective, the exchange provided for therein shall be deemed to have been consummated, each shareholder of the domestic company shall cease to be a shareholder of such company, the ownership of all shares of the issued and outstanding stock of the domestic company, except shares payment of the value of which is required to be made by the domestic company or the acquiring corporation pursuant to section 3 of this chapter, shall vest in the acquiring corporation automatically without any physical transfer or deposit of certificates representing such shares, and all shares payment of the value of which is required to be made by the domestic company or the acquiring corporation pursuant to section 3 of this chapter shall be deemed no longer outstanding shares of the domestic company. The acquiring corporation shall thereupon become the sole shareholder of the domestic company and shall have all of the rights, privileges, immunities, and powers and, except as otherwise provided in this chapter, shall be subject to all of the duties and liabilities to the extent provided by law of a shareholder of an insurance company organized or reorganized under IC 27-1 or any statute enacted prior to March 8, 1935.

(b) Certificates representing shares of the domestic company prior to the plan of exchange becoming effective, except certificates representing shares payment of the value of which is required to be made pursuant to section 3 of this chapter and bearing a notation thereon that objection and demand pursuant to such section have been made, shall, after the plan of exchange becomes effective, represent:

(i) shares of the issued and outstanding capital stock or other securities issued by the acquiring corporation; and

(ii) the right, if any, to receive such cash or other consideration upon such terms as shall be specified in the plan of exchange; provided, that the plan of exchange may specify that all certificates representing shares of stock of the domestic company, except certificates representing shares payment of the value of which is required to be made pursuant to section 3 of this chapter, shall after the plan of exchange becomes effective represent only the right to receive shares of stock or other securities issued by the acquiring corporation or cash or other consideration or any combination thereof upon such terms as shall be specified in the plan of exchange. Certificates representing shares of the domestic company with respect to which an objection and demand have been made pursuant to section 3 of this chapter and bearing a notation thereon that such objection and demand have been made, shall, after the plan of exchange becomes effective, represent only the right to receive payment therefor, subject to the provisions of this chapter.

(Formerly: Acts 1967, c.61, s.5.) As amended by P.L.252-1985, SEC.141.

IC 27-3-1-6

Effect of acquisition on insurance business conducted

Sec. 6. Nothing contained in this chapter shall be construed to authorize any insurance company to engage in any kind or kinds of insurance business not authorized by its articles of incorporation, or to authorize any acquiring corporation which is not an insurance company to engage directly in the business of insurance. Subsequent to the effective date of the plan of exchange, the insurance department, pursuant to the authority vested in it by IC 27-1-3-7 and IC 27-1-3.1 and having regard to the findings stated in section 3(b) of this chapter, shall have the authority to require that the affairs of the domestic company be conducted in such manner as to assure the continuing safe conduct and transaction of the domestic company's business of insurance.

(Formerly: Acts 1967, c.61, s.7.) As amended by P.L.252-1985, SEC.142; P.L.26-1991, SEC.25.

IC 27-3-1-7

Continuation of domestic corporation and acquiring corporation as separate entities

Sec. 7. The domestic company and the acquiring corporation shall in all respects stand before the law as separate and distinct corporations, with neither of such corporations having any liability to the creditors, policyholders, if any, or shareholders of the other, any acts or omissions of the officers, directors, or shareholders of either or both of such corporations notwithstanding.

(Formerly: Acts 1967, c.61, s.8.)

IC 27-3-2

Chapter 2. Assessment Plans—Reorganization Into Stock Companies

IC 27-3-2-1

Authority to issue stock

Sec. 1. Any insurance company organized and doing business under the laws of this state on what is known as the assessment plan, and having more than one thousand (1,000) members, and a reserve fund of not less than one hundred thousand dollars (\$100,000), is hereby authorized subject to the limitations hereinafter contained, to issue stock in shares of fifty dollars (\$50.00) each, to an amount of not less than one hundred thousand (100,000) nor more than five hundred thousand dollars (\$500,000), and to receive subscriptions therefor.

(Formerly: Acts 1895, c.158, s.1.)

IC 27-3-2-2

Notice of meeting; vote of members

Sec. 2. Before issuing any stock as provided in section 1 of this chapter, such company shall, at least four (4) weeks before the meeting provided for in this chapter, cause a printed notice of the time, place, and purpose of such meeting to be mailed to each of its members, and shall cause public notice to be given by publication thereof, at least once a week, for four (4) weeks, in a newspaper of general circulation in the county wherein is located the principal office of said company, that the proposal to issue stock in pursuance of this act, will be submitted to the members of such company at a meeting to be held at a time and place to be named in such notice. If, after due mailing and publication of such notice, two-thirds (2/3) of all the members (present at such meeting), either in person or by proxy, shall vote in favor of a proposal to issue stock as aforesaid, then the authority conferred by section 1 of this chapter, shall take effect, and subscription books may be opened.

(Formerly: Acts 1895, c.158, s.2.) As amended by P.L.252-1985, SEC.143.

IC 27-3-2-3

Subscription rights

Sec. 3. Every person who is a member of such company on the day of such meeting shall, for thirty (30) days after the opening of subscription books as aforesaid, be entitled to subscribe to that proportionate number of shares of the capital stock, agreed upon to be issued, which the premium note or notes owing by such member and held by such company on unexpired policies, in force on the day of such meeting aforesaid, shall bear to the entire amount of such notes then held by such company, and upon the payment of such subscription, said note or notes shall be canceled and delivered to such members. If at the end of thirty (30) days from the opening of subscription books, the full amount of the capital stock designated

has not been subscribed under the provisions of this section, then other subscriptions may be received, to be paid for as the directors of said company may require within eighteen (18) months.

(Formerly: Acts 1895, c.158, s.3.)

IC 27-3-2-4

By-laws; directors

Sec. 4. When all the stock shall have been subscribed as aforesaid, the stockholders shall adopt by-laws for the government of such company not inconsistent with the laws of the state of Indiana, naming therein the number of directors, which shall not be less than seven (7) nor more than thirteen (13), who shall manage the affairs of said company, and shall at once elect the new directors for the ensuing year, a majority of whom shall constitute a quorum for the transaction of business.

(Formerly: Acts 1895, c.158, s.4.)

IC 27-3-2-5

Certificate of incorporation; body corporate; deposit of securities; change of deposited securities

Sec. 5. And thereupon, when all of said stock shall have been subscribed, a statement shall be filed with the secretary of state, and that officer shall give to such company a certificate of incorporation under his seal of office, declaring the corporate name of such company, the amount of capital stock, and the amount of securities deposited with the auditor of state, as hereinafter provided, the names of the directors who are to conduct the business of the company for the first year, and henceforth upon the payment to such officer of the fee provided by law to be paid for the incorporation of joint stock companies; and said company shall then become a body corporate, with the power and authority to sue and be sued as such, in any proper court, and such company may carry on the business of insuring property against loss or damage by fire, in a manner not inconsistent with the laws of this state, as a stock company: Provided, however, That before such company shall issue any policies of insurance, such company shall deposit in the office of the auditor of state of Indiana, stocks, bonds or notes to be approved by said auditor, to the amount of twenty-five per cent (25%) of the capital stock of said company, the interest on which is to be paid to said company: Provided, That the securities so held may be replaced by other securities to be first approved by said auditor, when by reason of their maturity or other good cause, it shall seem necessary or proper for the best interest of such company to replace them.

(Formerly: Acts 1895, c.158, s.5.)

IC 27-3-2-6

Officers; election; bond

Sec. 6. Said directors shall, upon the receipt by the company of said certificate of incorporation, immediately elect a president, vice-president, secretary and treasurer from their number, who shall

be sworn to perform faithfully the duties of their respective offices, and who shall give bond for a sum and in a manner to be prescribed in the by-laws of such company.

(Formerly: Acts 1895, c.158, s.6.)

IC 27-3-2-7

Option to discontinue writing insurance on mutual or assessment plan

Sec. 7. It shall not be obligatory upon any company, after the issuing of stock as aforesaid, to accept applications for insurance upon the mutual or assessment plan.

(Formerly: Acts 1895, c.158, s.7.)

IC 27-3-2-8

Treatment of assets

Sec. 8. No part of the assets now possessed by such company, or that shall be possessed at the time of the meeting at which it is determined to issue stock, or which may be acquired in the interim, shall be divided among the members of such company, or be expended, except for the ordinary disbursements of such company made in the usual course of its business, including losses incurred upon its policies, but such assets shall remain and constitute as heretofore a fund in the hands of such company for the security of the holders of its policies.

(Formerly: Acts 1895, c.158, s.8.)

IC 27-3-2-9

Annual report

Sec. 9. Such company shall, by its board of directors make a report, upon the first day of January of each year, of the condition of stock, showing the amount of capital stock, the number and amount of policies issued, the nature and kind of risks taken, the losses sustained, and the assets of every nature on hand or belonging to the company, which report shall be signed and sworn to by a majority of the directors of such company and published in a newspaper of general circulation in the county in which the company shall have its principal office.

(Formerly: Acts 1895, c.158, s.9.)

IC 27-3-3

Chapter 3. Acquisition of Certain Minority Interests in Subsidiary Domestic Stock Insurance Companies

IC 27-3-3-1

Definitions

Sec. 1. As used in this chapter:

- (a) "Commissioner" means the insurance commissioner of this state.
- (b) "Domestic insurer" means a stock insurance company organized under the laws of this state.
- (c) "Parent corporation" means a corporation organized for any purpose under the laws of this state or any other jurisdiction that owns, directly or indirectly, at least ninety percent (90%) of the issued and outstanding voting stock of a domestic insurer.
- (d) "Subsidiary insurer" means a domestic insurer, at least ninety percent (90%) of the issued and outstanding voting stock of which is owned by a parent corporation.
- (e) "Voting stock" means shares issued by a domestic insurer, the record holders of which are entitled to vote at each election of directors of the domestic insurer, and securities convertible into or evidencing a right to acquire the shares.

(Formerly: Acts 1973, P.L.278, SEC.1.) As amended by P.L.245-1989, SEC.2.

IC 27-3-3-2

Manner of acquisition

Sec. 2. Any parent corporation may acquire all of the issued and outstanding voting stock of its subsidiary insurer not owned by the parent corporation in exchange for shares or other securities of the parent corporation, or cash, other consideration, or any combination of the foregoing, in the manner provided in this section. The board of directors of the parent corporation, by resolution approved by a majority of the whole board, shall adopt a plan of acquisition setting forth:

- (1) the name of the subsidiary insurer;
- (2) the designation and a description of the voting rights of each class, and any series thereof, of voting stock of the subsidiary insurer;
- (3) the total number of issued and outstanding shares of each class, and any series thereof, of voting stock of the subsidiary insurer, the number of such shares owned by the parent corporation and, if either of the foregoing is subject to change prior to the proposed acquisition, the manner in which any change may occur;
- (4) the terms and conditions of the acquisition, including the consideration to be paid and the proposed effective date of acquisition, and a statement clearly describing the rights of shareholders dissenting from the plan of acquisition;
- (5) if the parent corporation is not authorized to do business in

this state, its consent to the enforcement against it in this state of the rights of shareholders pursuant to the plan of acquisition or the rights of shareholders dissenting from that plan, and a designation of the commissioner as the agent upon whom process may be served against the parent corporation in any action or proceeding to enforce those rights; and

(6) such other provisions with respect to the acquisition as the board of directors of the parent corporation deems necessary or appropriate.

(b) Upon adoption of a plan of acquisition, the parent corporation shall submit that plan to the commissioner in duplicate, certified by the secretary or an assistant secretary of the parent corporation as having been adopted in accordance with the provisions of this chapter. Within thirty (30) days from the date the plan is submitted to the commissioner, he shall endorse his approval or disapproval and the date thereof on both copies of the plan, file one (1) copy of the plan in his offices, and deliver the other copy to the parent corporation. No plan of acquisition shall take effect unless the approval of the commissioner has been obtained. The commissioner shall approve the plan of acquisition if he is satisfied that the plan complies with this chapter and that the terms and conditions of the plan of acquisition are fair and reasonable. If the commissioner disapproves the plan, he shall advise the parent corporation in writing of the reasons for his disapproval. The commissioner's disapproval of a plan of acquisition shall be subject to judicial review upon the petition of the parent corporation in accordance, so far as practical, with IC 4-21.5-5.

(c) If the commissioner approves the plan of acquisition, and if the plan has not been abandoned, the parent corporation shall deliver a copy of the plan or a summary thereof approved by the commissioner to each person who, as of the date of delivery, is a holder of record of voting stock to be acquired pursuant to the plan. Delivery shall be made either in person or by depositing a copy of the plan or an approved summary thereof in the United States mails, postage prepaid, addressed to the shareholder at his address of record as furnished by the subsidiary insurer or its transfer agent. The parent corporation shall thereafter file with the commissioner an affidavit of its secretary or assistant secretary setting forth that the delivery was made and the date of delivery.

(d) Notwithstanding approval by the commissioner of the plan of acquisition or delivery of the plan or of an approved summary thereof to shareholders, the plan of acquisition may be abandoned at any time prior to the proposed effective date of acquisition pursuant to a provision for abandonment, if any, contained in the plan.

(e) Upon compliance with the requirements of this section and if the plan of acquisition has not been abandoned, ownership of the voting stock to be acquired pursuant to the plan shall automatically vest in the parent corporation on the date of acquisition proposed in the plan, without any physical transfer or deposit of certificates representing that voting stock, and the parent corporation shall be

entitled to have new certificates therefor registered in its name. Shareholders whose voting stock is so acquired shall cease to be shareholders and shall have only the right to receive the consideration to be paid in exchange for their voting stock pursuant to the plan of acquisition.

(Formerly: Acts 1973, P.L.278, SEC.1.) As amended by P.L.7-1987, SEC.144.

IC 27-3-3-3

Dissent and demand by subsidiary stockholder; withdrawal; notice and offer; acceptance; appraisal; procedure

Sec. 3. Within thirty (30) days after delivery of the plan of acquisition or an approved summary thereof to shareholders as hereinabove provided, any shareholder of the subsidiary insurer may notify the subsidiary insurer in writing of his dissent from the plan and of his demand for payment of fair value of his voting stock, and, if the acquisition proposed in the plan is effected, the subsidiary insurer shall pay to each dissenting shareholder, upon surrender of the certificate or certificates representing the affected voting stock, the fair value thereof as of the day prior to the date on which the plan of acquisition was adopted by the board of directors of the parent corporation, excluding any appreciation or depreciation in anticipation of, or resulting from, that corporate action. Dissent and demand under this section shall be accompanied by the certificate or certificates representing the dissenting shareholder's voting stock for notation thereon that dissent and demand have been made, unless a court of competent jurisdiction, for good and sufficient cause shown, shall otherwise direct. Dissent and demand shall only be made jointly by holders of voting stock jointly held. Any shareholder failing to make the dissent and demand accompanied by certificates representing his voting stock within the thirty (30) day period shall be bound by the terms and conditions of the plan of acquisition. Any shareholder making dissent and demand accompanied by certificates representing his voting stock shall thereafter have no rights with respect to that voting stock except the right to receive payment therefor under this section, and a transferee of voting stock shall acquire by the transfer no rights other than those which the original dissenting shareholder had after making dissent and demand.

No dissent and demand may be withdrawn unless the president or a vice-president of the subsidiary insurer shall consent thereto in writing. If, however, dissent and demand is withdrawn upon such consent, or if the plan of acquisition is abandoned, or if a dissenting shareholder fails to submit for notation or surrender for payment the certificate or certificates representing his voting stock at the time and in the manner required by this section, or if a dissenting shareholder does not file a petition for a determination of fair value of his voting stock within the time and in the manner provided in this section and the subsidiary insurer does not file a petition for such determination, or if a court of competent jurisdiction determines that a dissenting shareholder is not entitled to the relief provided by this section, then

the right of the dissenting shareholder to be paid the fair value of his voting stock shall cease and his status and rights shall be the same as a shareholder failing to make dissent and demand, without prejudice to any corporate proceedings which may have been taken during the interim.

Within sixty (60) days after the acquisition proposed in the plan is effected, the subsidiary insurer shall give written notice thereof to each shareholder who has made dissent and demand as in this section provided, and shall make a written offer to each such dissenting shareholder to pay for his voting stock a specified price deemed by the subsidiary insurer to be the fair value thereof. This notice and offer shall be made when deposited in the United States mails, postage prepaid, addressed to the dissenting shareholder at his address of record. If the offer is accepted in writing by the dissenting shareholder, the subsidiary insurer shall pay the specified price to the dissenting shareholder upon surrender of the certificate or certificates representing his voting stock. Upon such payment the dissenting shareholder shall cease to have any interest in such voting stock and such voting stock shall be retired by the subsidiary insurer pursuant to IC 1971, 27-1-8-12.

If within thirty (30) days after the date of the mailing of the written offer the subsidiary insurer and a dissenting shareholder do not agree in writing upon the fair value, the subsidiary insurer or the dissenting shareholder may, within ninety (90) days after the date of the mailing of the written offer, petition the circuit or superior court of the county in which the principal office of the subsidiary insurer is located to appraise the fair value of the voting stock as of the day prior to the date on which the plan of acquisition was adopted by the board of directors of the parent corporation, excluding any appreciation or depreciation in anticipation of, or resulting from, that corporate action. If more than one (1) petition is filed, the petitions may be consolidated or joint hearings may be held thereon. The practice, procedure and judgment in the circuit or superior court shall be the same, so far as practical, as that under the eminent domain laws in this state. The judgment of the circuit or superior court shall be final. A judgment shall be payable only upon and concurrently with the surrender by such dissenting shareholder to the subsidiary insurer of the certificate or certificates representing the voting stock. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in the voting stock and such voting stock shall be retired by the subsidiary insurer pursuant to IC 1971, 27-1-8-12.

This section shall provide the exclusive method for dissenting from a plan of acquisition effected pursuant to this chapter and demanding payment of fair value of the voting stock acquired or to be acquired under such a plan.

(Formerly: Acts 1973, P.L.278, SEC.1.)

IC 27-3-3-4

Parent and subsidiary as separate corporations

Sec. 4. Notwithstanding a plan of acquisition effected pursuant to this chapter, the parent corporation and its subsidiary insurer shall in all respects stand before the law as separate and distinct corporations, with neither of the corporations having any liability to the creditors, policyholders, if any, or shareholders of the other, notwithstanding any actions or omissions of the officers, directors, or shareholders of either or both of the corporations.

(Formerly: Acts 1973, P.L.278, SEC.1.)

IC 27-3-3-5

Application of chapter

Sec. 5. The method authorized by this chapter for acquiring voting stock of a subsidiary insurer is not exclusive, but is in addition to any other lawful method for the acquisition of such voting stock.

(Formerly: Acts 1973, P.L.278, SEC.1.)