

31A-5-504 Voluntary dissolution of domestic insurance corporations.

- (1)
 - (a) Except as otherwise modified by this section, a domestic stock insurance corporation may dissolve under Sections 16-10a-1401 through 16-10a-1409 and Section 16-10a-1440.
 - (b) Except as otherwise modified by this section, a domestic mutual insurance corporation may dissolve under Sections 16-6a-1401 through 16-6a-1409 and Section 16-6a-1419.
- (2)
 - (a) At least 60 days prior to the submission to shareholders or policyholders of any proposed voluntary dissolution of an insurance corporation, the plan of dissolution shall be filed with the commissioner.
 - (b) The commissioner may require the submission of any information in addition to the plan of dissolution that will establish:
 - (i) the financial condition of the corporation; or
 - (ii) other facts relevant to the proposed dissolution.
 - (c) If the shareholders or policyholders adopt the resolution to dissolve, the commissioner shall, within 30 days after the adoption of the resolution, begin an examination of the corporation.
 - (d) The commissioner shall approve the dissolution unless the commissioner finds, after a hearing, that the corporation:
 - (i) is insolvent; or
 - (ii) may become insolvent in the process of dissolution.
 - (e) Upon approval, the corporation may:
 - (i) transfer all of its obligations under insurance policies to other insurers approved by the commissioner; and
 - (ii) after the transfers described in Subsection (2)(e)(i), dissolve under Subsection (1).
 - (f) If the commissioner disapproves the dissolution, the commissioner shall petition the court for a liquidation under Section 31A-27a-207.
- (3) During the dissolution under Subsection (1), the corporation may apply to the commissioner to have the dissolution continued under the commissioner's supervision. After receiving this application, the commissioner shall apply to the court for a liquidation under Section 31A-27a-207.
- (4) If the corporation revokes the voluntary dissolution proceedings under Section 16-6a-1404 or 16-10a-1404, the corporation shall file a copy of the revocation of voluntary dissolution proceedings with the commissioner.
- (5) In distributing the assets in the dissolution of a nonlife mutual, Section 31A-27a-705 applies.
- (6)
 - (a) No remedy available to or against the corporation, its directors, officers, or shareholders is taken away or impaired if an action or other proceeding is brought within two years after dissolution for any right or claim existing, or any liability incurred, prior to the voluntary dissolution under this section.
 - (b) The action or proceeding described in Subsection (6)(a) may be prosecuted or defended by the corporation in its corporate name. The shareholders, directors, and officers may take appropriate corporate or other action to protect the remedy, right, or claim.
 - (c) A corporation which is dissolved by the expiration of its period of duration may amend its articles of incorporation during the two years to provide for perpetual existence.
- (7) During the voluntary dissolution of a domestic insurance corporation under this section, its corporate existence continues to allow the winding up of the corporation's affairs regarding any property and assets not distributed or otherwise disposed of prior to dissolution. To effect that purpose, the corporation may:

- (a) sell or otherwise dispose of the property and assets;
- (b) sue and be sued;
- (c) contract; and
- (d) exercise all other necessary powers.

Amended by Chapter 309, 2007 General Session