

31A-9-504 Rehabilitation or involuntary conversion.

- (1)
- (a) If the commissioner believes that a fraternal does not satisfy the requirements of this chapter, the commissioner shall call a hearing. If the commissioner then finds that the fraternal does not satisfy the requirements:
 - (i) if the fraternal is domestic, the commissioner shall petition for rehabilitation under Section 31A-27a-207 to rehabilitate the fraternal or, if that is not possible, convert the fraternal to a mutual; or
 - (ii) if the fraternal is nondomestic, the commissioner shall order it to comply as soon as practicable with the requirements of this chapter or lose its tax exemption.
 - (b) An order issued under Subsection (1)(a)(ii) shall specify the ways the nondomestic fraternal does not comply with this chapter.
- (2) If the fraternal does not promptly comply with the requirements of this chapter, after notice of the adverse results of a hearing under Subsection (1), it is subject to taxation as a mutual life insurance company. This tax is retroactive to the date on which the commissioner gave the fraternal notice of the hearing under Subsection (1).

Amended by Chapter 309, 2007 General Session