

31A-5-405 Meetings of mutuals and mutual policyholders' and members' voting rights.

- (1)
 - (a) Subject to this section, Sections 16-6a-701, 16-6a-702, 16-6a-704, and 16-6a-714 apply to the meetings of members, the notice, and the voting in mutuals.
 - (b) Subject to this section and Section 31A-5-409, Section 16-6a-711 applies to the voting of members of mutuals.
- (2)
 - (a) Policyholders or voting members in all mutuals have the right to vote on:
 - (i) conversion;
 - (ii) voluntary dissolution;
 - (iii) amendment of the articles; and
 - (iv) the election of directors except public directors appointed in accordance with Subsections 31A-5-409(1) and (2).
 - (b) The mutual may adopt reasonable provisions in its bylaws to determine:
 - (i) which individual among joint policyholders may exercise a voting right; and
 - (ii) how to deal with cases where the same individual is one of several joint policyholders in various policies.
 - (c) The articles of any mutual may give the policyholders or voting members additional voting rights. These articles may require a greater percentage of affirmative votes to approve an action than the statutes require.
- (3)
 - (a) The articles or bylaws shall contain rules governing voting procedures and voting eligibility consistent with Subsection (1).
 - (b) An amendment to a rule described in this Subsection (3) is not effective until at least 30 days after the rule has been filed with the commissioner.
- (4)
 - (a) The articles or bylaws may provide for regular or special meetings of the policyholders or voting members, and, if meetings are not provided for, then mail elections shall be provided for in lieu of elections at meetings.
 - (b) Notice of the time and place of regular meetings or elections shall be given to each policyholder or voting member in a reasonable manner as the commissioner approves or requires. Changes may be made by written notice mailed, properly addressed, and stamped, to the last-known address of all policyholders or voting members.
- (5)
 - (a) The articles may provide that representatives or delegates selected by the policyholders or voting members shall be from specific geographical districts or defined classes of policyholders or voting members, as determined on a reasonable basis.
 - (b) After the representative assembly has been selected by the policyholder or voting members, the assembly or the respective classes of policyholders or voting members may choose replacements for members unable to complete their terms, if the articles provide for their replacement.
 - (c) The vote of a person holding a valid proxy is treated as the vote of the policyholders or voting members who gave the proxy.

Amended by Chapter 308, 2002 General Session