

31A-5-410 Supervision of management changes.

- (1)
- (a) Immediately after the selection of a person as a director or principal officer, the insurer shall report to the commissioner:
 - (i) the name of the person selected as a director or principal officer of a corporation; and
 - (ii) pertinent biographical and other data that the commissioner requires by rule.
 - (b) For five years after the initial issuance of a certificate of authority to a corporation, the commissioner may, within 30 days after receipt of a report under Subsection (1)(a), disapprove any person selected who fails to satisfy the commissioner that the person:
 - (i) is trustworthy; and
 - (ii) has the competence and experience necessary to discharge that person's responsibilities.
- (2)
- (a) Whenever a director or principal officer of a corporation is removed under a provision listed in Subsection (2)(b), the insurer shall immediately report to the commissioner:
 - (i) the removal; and
 - (ii) a statement of the reasons for the removal.
 - (b) Subsection (2)(a) applies to a removal under:
 - (i) Subsection 16-6a-820(4);
 - (ii) Section 16-10a-808;
 - (iii) Section 16-10a-832; and
 - (iv) Subsection 31A-5-409(4).
- (3) The commissioner may order the removal of a director or officer if the commissioner finds, after a hearing, that:
- (a) a director or officer:
 - (i) is incompetent;
 - (ii) untrustworthy;
 - (iii) is not qualified under Section 31A-5-409; or
 - (iv) has wilfully violated:
 - (A) this title;
 - (B) a rule adopted under Subsection 31A-2-201(3); or
 - (C) an order issued under Subsection 31A-2-201(4); and
 - (b) the circumstances described in Subsection (3)(a) endangers the interests of:
 - (i) insureds; or
 - (ii) the public.

Amended by Chapter 308, 2002 General Session