

subject to a further right in the State of Minnesota and its Department of Highways to restrict the points of access from any of the lands described in this act to Trunk Highway 101=187 to such locations as are determined by the Commissioner of Highways.

Approved April 10, 1947.

CHAPTER 294—S. F. No. 1016
[Coded as Sections 60.581 to 60.587]

An act providing for the merger and consolidation of insurance corporations.

Be it enacted by the Legislature of the State of Minnesota:

[60.581] **Merger.** Section 1. Subdivision 1. **Domestic insurance corporations.** Any two or more domestic insurance corporations, formed for any of the purposes for which stock, mutual, or stock and mutual insurance corporations might be formed under the laws of this state, may be

(1) merged into one of such domestic insurance corporations, or

(2) consolidated into a new insurance corporation to be formed under the laws of this state.

Subd. 2. **Domestic and foreign insurance corporations.** Any such domestic insurance corporations and any foreign insurance corporations formed to carry on any insurance business for the conduct of which an insurance corporation might be organized under the laws of this state, may be

(1) merged into one of such domestic insurance corporations, or

(2) merged into one of such foreign insurance corporations, or

(3) consolidated into a new insurance corporation to be formed under the laws of this state, or

(4) Consolidated into a new insurance corporation to be formed under the laws of the government under which one of such foreign insurance corporations was formed, provided that each of such foreign insurance corporations is

authorized by the laws of the government under which it was formed to effect such merger or consolidation.

[60.582] **Agreement; approval.** Sec. 2. The merger or consolidation of insurance corporations can be effected only as a result of a joint agreement entered into, approved, and filed as follows:

(1) The board of directors of each of such insurance corporations as desire to merge or consolidate may, by majority vote, enter into a joint agreement signed by such directors and prescribing the terms and conditions of merger or consolidation, the mode of carrying the same into effect, with such other details and provisions as are deemed necessary.

(2) The agreement shall be submitted to the shareholders or members, as the case may be, of each of the merging or consolidating insurance corporations, at a special meeting duly called for the purpose of considering and acting upon the agreement, and if the holders of two-thirds of the voting power of the shareholders or members present or represented at the meeting of each such insurance corporation shall vote for the adoption of the agreement, then that fact shall be certified on the agreement by the secretary of each insurance corporation, and the agreement so adopted and certified shall be signed and acknowledged by the president and secretary of each of said insurance corporations; provided, however, that in the case of a merger the agreement need not be submitted to the shareholders or members of that one of the insurance corporations into which it has been agreed the others shall be merged, but the agreement may be signed and acknowledged by the president and secretary of such insurance corporation at the direction of the board of directors.

(3) The agreement so adopted, certified and acknowledged shall be delivered to the commissioner of insurance, who, if the agreement is reasonable and if the provisions thereof providing for any transfer of assets and assumption of liabilities are fair and equitable to the claimants and policyholders, shall place his certificate of approval on the agreement and shall file the agreement in his office, and a copy of the agreement, certified by the commissioner of insurance, shall be filed for record in the office of the secretary of state and in the offices of the registers of deeds of the counties in this state in which any of the corporate parties to the agreement have their home or principal offices, and of any counties in

which any of the corporate parties have land, title to which will be transferred as a result of the merger or consolidation.

[60.583] **Articles of incorporation of new company.** Sec. 3. Subdivision 1. If the joint agreement is for a consolidation into a new insurance corporation to be formed under any law or laws of this state, articles of incorporation for such new insurance corporation shall be prepared and delivered to the commissioner of insurance together with the agreement as provided in the last preceding section.

Subd. 2. Such articles shall be prepared, executed, approved, filed and recorded in the form and manner prescribed in, or applicable to, the particular law or laws under which the new insurance corporation is to be formed.

[60.584] **Consummation of merger.** Sec. 4. Subdivision 1. A merger of one or more insurance corporations into a domestic insurance corporation shall be effective when the joint agreement has been approved and filed in the office of the commissioner of insurance.

Subd. 2. A consolidation of insurance corporations into a new domestic insurance corporation shall be effective when the joint agreement and the new articles of incorporation have been approved and filed in the office of the commissioner of insurance.

Subd. 3. A merger or consolidation of one or more domestic insurance corporations into a foreign insurance corporation shall be effective according to the provisions of law of the jurisdiction in which such foreign insurance corporation was formed, but not until the joint agreement has been adopted, certified and acknowledged, and copies thereof approved and filed in accordance with section 2.

[60.585] **Effect of merger.** Sec. 5. Upon the consummation of the merger or consolidation as provided in the last preceding section, the effect of such merger or consolidation shall be:

(1) That the several corporate parties to the joint agreement shall be one insurance corporation, which shall be

(a) in the case of a merger, that one of the constituent insurance corporations into which it has been agreed the others shall be merged and which shall survive the merger for that purpose, or

(b) in the case of a consolidation, the new insurance

corporation into which it has been agreed the others shall be consolidated;

(2) The separate existence of the constituent insurance corporations shall cease, except that of the surviving insurance corporation in the case of a merger;

(3) The surviving or new insurance corporation, as the case may be, shall possess all the rights, privileges and franchises possessed by each of the former insurance corporations so merged or consolidated except that such surviving or new corporation shall not thereby acquire authority to engage in any insurance business or exercise any right which an insurance corporation may not be formed under the laws of this state to engage in or exercise;

(4) All the property, real, personal and mixed, of each of the constituent insurance corporations, and all debts due on whatever account to any of them, including without limitation subscriptions for shares, premiums on existing policies, and other choses in action belonging to any of them, shall be taken and be deemed to be transferred to and invested in such surviving or new insurance corporation, as the case may be, without further act or deed;

(5) The surviving or new insurance corporation shall be responsible for all the liabilities and obligations of each of the insurance corporations merged or consolidated, in accordance with the terms of the agreement for merger or consolidation; but the rights of the creditors of the constituent insurance corporations, or of any persons dealing with such insurance corporations shall not be impaired by such merger or consolidation, and any claim existing or action or proceeding pending by or against any of the constituent insurance corporations may be prosecuted to judgment as if the merger or consolidation had not taken place, or the surviving or new insurance corporation may be proceeded against or substituted in its place.

[60.586] **Non-consenting shareholders.** Sec. 6. Subdivision 1. When an insurance corporation having capital stock has become a party to a merger or consolidation agreement, as hereinbefore provided, any shareholder of such an insurance corporation who voted against the merger or consolidation at the meeting at which it was authorized, may, at any time within 20 days after such authorization was given, object thereto in writing and demand payment for his shares.

Subd. 2. If, after such a demand by a shareholder, the insurance corporation and the shareholder cannot agree upon

the value of the shares at the time the merger or consolidation was authorized, such value shall be ascertained by three disinterested persons, one of whom shall be named by the shareholder, another by the insurance corporation and the third by the two thus chosen. The finding of the appraisers shall be final, and if their award is not paid by the insurance corporation within 30 days after it is made, it may be recovered in an action by the shareholder against the insurance corporation. The liability of the insurance corporation to the dissenting shareholder for the value of his shares so agreed upon or awarded shall also be a liability of the surviving or new insurance corporation, as the case may be. Upon payment by the insurance corporation or by the surviving or new corporation to the shareholder of the agreed or awarded price of his shares, the shareholder shall forthwith transfer and assign the shares held by him at, and in accordance with, the request of the corporation.

Subd. 3. A shareholder shall not be entitled to payment for his shares under the provisions of this section unless the value of the corporate assets which would remain after such payment would be at least equal to the aggregate amount of its debts and liabilities including outstanding capital stock.

[60.587] **Not to include certain other companies.** Sec. 7. Nothing contained in this act shall preclude companies organized under the laws of this state to do the business of life, accident or health insurance either on the stock, mutual, stock and mutual, stipulated premium, assessment or fraternal plan from electing to consolidate with any other company, foreign or domestic, or from reinsuring its risks or any part thereof with any other company, or reinsuring its risks or the whole of or any portion of the risks of any other company as provided in Sections 60.55 to 60.58.

Approved April 10, 1947.

CHAPTER 295—S. F. No. 1102
[Section 2 Coded as Section 60.291]

An act relating to insurance and amending Minnesota Statutes 1945, Section 60.29.

Be it enacted by the Legislature of the State of Minnesota:..