

**Sec. 38a-156r. Definitions.** As used in this section and sections 38a-156s to 38a-156z, inclusive:

(1) “Capital” means the capital stock component of statutory surplus, as defined in the National Association of Insurance Commissioners Accounting Practices and Procedures Manual, version effective January 1, 2001, and subsequent revisions;

(2) “Commissioner” means the Insurance Commissioner;

(9) “Interest”, unless the context otherwise requires, means: (A) A governance interest in an unincorporated entity; (B) a transferable interest in an unincorporated entity; or (C) a share or membership in a corporation;

(10) “Interest holder” means a direct holder of an interest;

(11) “Liability” means a debt, obligation or any other liability arising in any manner, regardless of whether it is secured or contingent;

(12) “New insurer” means a domestic insurer that is created by a division occurring on or after October 1, 2017;

(13) “Organic law” means the section of the general statutes, if any, other than this section and sections 38a-156s to 38a-156z, inclusive, and sections 34-601 to 34-646, inclusive, governing the internal affairs of an entity;

(14) “Organic rules” means the private organic rules and public organic document of an entity;

(15) “Private organic rules” means the rules, whether or not in a record, that govern the internal affairs of an entity, are binding on all of its interest holders and are not part of its public organic document, if any;

(16) “Property” means all property, whether real, personal or mixed, tangible or intangible, or any right or interest therein, including rights under contracts and other binding agreements;

(17) “Public organic document” means the public record, the filing of which creates an entity, and any amendment to or restatement of such public record;

(18) “Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form;

(19) “Resulting insurer” means a new insurer or a dividing insurer that survives a division;

(20) “Shareholder” means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation;

(21) “Sign” or “signature” includes any manual, facsimile, conformed or electronic signature;

(22) "Surplus" means total statutory surplus less capital stock, adjusted for the par

interests in the dividing insurer, the manner in which it will cancel such interests; and (C) if the dividing insurer desires to convert some, but less than all, interests in the dividing insurer into interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination thereof, a statement disclosing the

(P.A. 17-2, S. 2.)

**Sec. 38a-156t. Plan of division. Approval by interest holders and governors.** (a) Except as provided in subsection (b) or (c) of this section, a domestic insurer shall not file a plan of division with the commissioner unless such plan has been approved in accordance with: (1) All provisions of its organic rules; or (2) if its organic rules do not provide for approval of a division, all provisions of its organic law and organic rules that provide for approval of a merger.

(b) Interest holder approval of a plan of division is not required unless: (1) The organic rules of the domestic insurer require such approval; (2) the plan makes an amendment to the organic rules requiring such approval; or (3) either: (A) The domestic insurer will not survive the proposed division and all interests and other securities and obligations, if any, of the new insurers will be owned solely by the dividing insurer; or (B) the domestic insurer has only one class of interests outstanding and the interests and other securities and obligations, if any, of eoval; or e4(r)6(e)10(r)-2(s )11(7(o)-3(l)4(n)-3(l)4(( )-14



(e) If the commissioner approves a plan of division, the commissioner shall issue a certificate of approval to the dividing insurer on a form prescribed by the commissioner.

(d) A certificate of division is effective when filed with the Secretary of the State or on such other date specified in the plan of division, whichever is later, provided a certificate of division shall become effective not more than ninety days after it is filed with the Secretary of the State. A division is effective when the relevant certificate of division is effective.

(P.A. 17-2, S. 5.)

**Sec. 38a-156w. Effect of division.** (a) When a division becomes effective pursuant to subsection (d) of section 38a-156v: ~~(1) If the dividing insurer has survived the~~ division: (A) It continues to exist; (B) its public organic document, if any, shall be amended as provided in the certificate of division; and (C) its private organic rules, if any, shall be amended as provided in the plan of division; (2) if the dividing insurer has not survived the division, its separate existence ceases to exist; (3) each new insurer: (A) Comes into existence



(b) Except as provided in the organic law or organic rules of the dividing insurer, the

(e) If the dividing insurer is bound by a security agreement governed by Article 9 of title 42a, or Article 9 of the Uniform Commercial Code as enacted in any other jurisdiction, and the security agreement provides that the security interest attaches to after-acquired collateral, each resulting insurer is bound by the security agreement.

(f) Except as provided in the plan of division and specifically approved by the commissioner, an allocation of a policy or other liability does not: (1) Affect the rights under other law of a policyholder or creditor owed payment on the policy, or payment of any other type of liability or performance of the obligation that creates the liability, except that those rights are available only against a resulting insurer responsible for the policy, liability or obligation under this section; or (2) release or reduce the obligation of a reinsurer, surety or guarantor of the policy, liability or obligation.

(P.A. 17-2, S. 7.)

**Sec. 38a-156y. Appraisal rights.** (a) A shareholder of a dividing insurer is entitled to appraisal rights and to obtain payment of the fair value of that shareholder's shares, pursuant to sections 33-855 to 33-868, inclusive, if the dividing insurer is a business corporation.

(b) (1) An interest holder of a dividing insurer that is not a business corporation is entitled to contractual appraisal rights in connection with a division to the extent provided: (A) In the dividing insurer's organic rules; (B) in the plan of division; or (C) by action of its governors.

(2) If an interest holder is entitled to contractual appraisal rights under subdivision (1) of this subsection and the organic law of the dividing insurer does not provide procedures for the conduct of an appraisal rights proceeding, sections 33-855 to 33-868, inclusive, shall apply to the extent practicable or as otherwise provided in the insurer's organic rules or plan of division.

(P.A. 17-2, S. 8.)





