

2023 Kansas Statutes

40-3310. Enjoining violations; illegally acquired securities; effect on shareholder voting; injunctions; seizure or sequestration of illegally acquired securities; situs of ownership of domestic insurer's securities. (a) Whenever it appears to the commissioner of insurance that any insurer or any director, officer, employee or agent thereof has committed or is about to commit a violation of this act or of any rule, regulation, or order issued by the commissioner of insurance hereunder, the commissioner of insurance may apply to the district court in and for the county in which the principal office of the insurer is located or if such insurer has no such office in this state then to the district court of Shawnee county for an order enjoining such insurer or such director, officer, employee or agent thereof from violating or continuing to violate this act or any such rule, regulation or order, and for such other equitable relief as the nature of the case and the interests of the insurer's policyholders, creditors and shareholders or the public may require.

(b) No security which is the subject of any agreement or arrangement regarding acquisition, or which is acquired or to be acquired, in contravention of the provisions of this act or of any rules and regulations or order issued by the commissioner of insurance hereunder may be voted at any shareholders' meeting, or may be counted for quorum purposes, and any action of shareholders requiring the affirmative vote of a percentage of shares may be taken as though such securities were not issued and outstanding. However, no action taken at any such meeting shall be invalidated by the voting of such securities, unless the action would materially affect control of the insurer or unless the courts of this state have so ordered. If an insurer or the commissioner of insurance has reason to believe that any security of the insurer has been or is about to be acquired in contravention of the provisions of this act or of any rule, regulation or order issued by the commissioner of insurance hereunder the insurer or the commissioner of insurance may apply to the district court of Shawnee county or to the district court for the county in which the insurer has its principal place of business to enjoin any offer, request, invitation, agreement or acquisition made in contravention of K.S.A. 40-3304, and amendments thereto, or any rules and regulations, or order issued by the commissioner of insurance thereunder to enjoin the voting of any security so acquired, to void any vote of such security already cast at any meeting of shareholders, and for such other equitable relief as the nature of the case and the interests of the insurer's policyholders, creditors and shareholders or the public may require.

(c) In any case where a person has acquired or is proposing to acquire any voting securities in violation of this act or any rule, regulation or order issued by the commissioner of insurance hereunder, the district court of Shawnee county or the district court for the county in which the insurer has its principal place of business may, on such notice as the court deems appropriate, upon the application of the insurer or the commissioner of insurance seize or sequester any voting securities of the insurer owned directly or indirectly by such person, and issue such orders with respect thereto as may be appropriate to effectuate the provisions of this act. Notwithstanding any other provisions of law, for the purposes of this act the situs of the ownership of the securities of domestic insurers shall be deemed to be in this state.

History: L. 1974, ch. 183, § 10; L. 1992, ch. 288, § 6; July 1, 1993.