

40-4007. Prohibition on certain persons benefiting from assistance in conversion. (a) No director, officer, agent or employee of the insurer shall secure any unfair advantage through a plan of conversion by reducing the volume of new business written, by cancellation or by reducing or by any other means seeking to reduce, limit or alter the number or identity of the insurer's policyholders entitled to participate in such plan.

(b) No director, officer, agent or employee of the insurer shall receive any fee, commission or other valuable consideration whatsoever, other than regular salary and compensation, for in any manner aiding, promoting or assisting in the conversion except as set forth in the plan approved by the commissioner of insurance. This provision shall not be deemed to prohibit the payment of reasonable fees and compensation to attorneys at law, accountants, appraisers, actuaries, financial advisers or other similar professionals for services performed in the independent practice of their professions, even though such person may also be directors of the insurer.

History: L. 1985, ch. 154, § 7; L. 1997, ch. 107, § 9; July 1.