

304.24-095 Articles of incorporation of a combined stock and mutual life insurance company -- Possible amendments.

- (1) A domestic stock or mutual life insurance company may amend its articles of incorporation so as to become a combined stock and mutual life company; provided, that no such amendment shall deprive any stockholder or member or policyholder of the right, at any and all meetings of stockholders and members or policyholders held thereafter, to cast as many votes for directors as are provided by the articles of incorporation in force at the time of the adoption of such amendment, or by the law in force at such time. No such amendment shall be construed to change the identity of the corporation and it shall thereafter continue to be governed by the laws applicable thereto at the time of such amendment and as amended hereafter and not inconsistent with this subtitle, as well as those relating to the added characteristic of capital stock or mutuality which it shall have acquired by such amendment.
- (2) The articles of incorporation of a combined stock and mutual insurance company may be amended in any respect provided by KRS Chapter 271B and this subtitle, in the manner therein provided. The articles of incorporation of a combined stock and mutual life insurance company may also be amended in respect to any matter which the original articles of incorporation of a combined stock and mutual life insurance company might lawfully have contained, or so as to vest in its board of directors authority to make and alter bylaws subject to the power of the stockholders and members to change or repeal such bylaws, by the affirmative vote, at a regular meeting of stockholders and members or at a special meeting of stockholders and members called for that expressly stated purpose by the board of directors which shall first have proposed the amendment and declared it to be advisable, of:
 - (a) A majority of the total number of votes to which stockholders are entitled; and
 - (b) At least one-fifth (1/5) of the total number of votes to which participating policyholder members are entitled, provided the proposed amendment does not receive the negative vote of more than five percent (5%) of the total number of votes to which all participating policyholder members are entitled.
- (3) The articles of incorporation of a combined stock and mutual life insurance company may also be amended so as to increase or decrease its capital stock, or so as to change the number and par value of the shares of its capital stock, or so as to limit or deny to stockholders the preemptive right to subscribe to any or all shares of stock which may be authorized to be thereafter issued, by a majority vote of all its shares but without the vote of its members, at a regular meeting or at a special meeting of stockholders called for that expressly stated purpose by the board of directors which shall first have proposed the amendment and declared it to be advisable and not adverse to or in conflict with the rights and interests of the members, provided that if the proposed amendment is to increase or decrease the capital stock or to change the number of the shares of the capital stock, the resolution specifying the proposed amendment and the certificate of amendment shall expressly provide:

- (a) That the stockholders holding all its shares shall, at all meetings, be entitled to the same number of total votes after the amendment is adopted as they were entitled to before the amendment; and
- (b) That each stockholder shall, at all meetings, be entitled to a fraction of one (1) vote for each share of stock held by him, the numerator of which fraction shall be the number of shares outstanding before the first such amendment is adopted and the denominator of which fraction shall be the number of shares outstanding.

Effective: July 13, 1984

History: Created 1984 Ky. Acts ch. 343, sec. 2, effective July 13, 1984.

Legislative Research Commission Note. As of January 1, 1989, KRS Ch. 271A becomes KRS Ch. 271B. Therefore, the reference in subsection (2) of this section to KRS Ch. 271A has been changed to KRS Ch. 271B.