§ 1506. Acquisition or retention of control of insurers. (a) No person, other than an authorized insurer, shall acquire control of any domestic insurer, whether by purchase of its securities or otherwise, unless:

(1) it gives twenty days written notice to the insurer, or such shorter period of notice as the superintendent permits, of its intention to acquire control, provided that the notice shall include an agreement by the person seeking to acquire control that the person will provide the annual report specified in section one thousand five hundred three of this article for so long as control exists; and

(2) it receives the superintendent's prior approval.

(b) The superintendent shall disapprove such acquisition if he determines, after notice and an opportunity to be heard, that such action is reasonably necessary to protect the interests of the people of this state. Only the following factors may be considered in making such determination:

(1) the financial condition of the acquiring person and the insurer;

(2) the trustworthiness of the acquiring person or any of its officers or directors;

(3) a plan for the proper and effective conduct of the insurer's operations;

(4) the source of the funds or assets for the acquisition;

(5) the fairness of any exchange of shares, assets, cash or other consideration for the shares or assets to be received;

(6) whether the effect of the acquisition may be substantially to lessen competition in any line of commerce in insurance or to tend to create a monopoly therein; and

(7) whether the acquisition is likely to be hazardous or prejudicial to the insurer's policyholders or shareholders.

(c) (1) The following conditions affecting any controlled insurer, regardless of when such control has been acquired, are violations of this article:

(A) the controlling person or any of its officers or directors have demonstrated untrustworthiness; and

(B) the effect of retention of control, in the case of a domestic controlled insurer, may be substantially to lessen competition in any line of commerce in insurance or to tend to create a monopoly therein,

or, in the case of a foreign or alien controlled insurer, may be substantially to lessen competition in any line of commerce in insurance in this state or to tend to create a monopoly therein.

(2) If, after notice and an opportunity to be heard, the superintendent determines that any of the foregoing violations exists, he shall issue an order based on written findings and cause the same to be served upon the insurer and all persons affected thereby directing any person found to be in violation hereof to take appropriate action to cure such violation. Upon the failure of any such person to comply with such order, section one thousand five hundred ten of this article shall become applicable.

(d) The superintendent may require the submission of such information as he deems necessary to determine whether any acquisition or retention of control complies with this article and may require, as a condition of approval of such acquisition or retention of control, that all or any portion of such information be disclosed to the insurer's shareholders.

(e) Unless subject to registration under section one thousand five hundred three of this article, or unless acquisition of its control is subject to subsections (a) and (b) hereof, every authorized insurer shall, within thirty days after any event requiring notice hereunder, notify the superintendent in writing of the identity of any person whom the insurer then knows or has reason to believe controls, or has taken any action, other than preliminary negotiations or discussions, to acquire control of the insurer.

(f) Any holding company seeking to divest its controlling interest in a domestic insurer, in any manner, shall file with the superintendent, with a copy to the insurer, notice of its proposed divestiture at least thirty days prior to the cessation of control, provided, however that this subsection shall not apply if notice is provided as required by subsection (a) of this section.