§ 1603. Notice of intent to acquire or divest. (a) A domestic insurer shall not acquire control of any other domestic insurer, whether by purchase of its securities or otherwise, unless:

(1) a notice of intention of such proposed acquisition shall have been filed with the superintendent not less than ninety days, or such shorter period as may be permitted by the superintendent, in advance of such proposed acquisition; and

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

(b) The superintendent shall disapprove such acquisition if the superintendent determines that the proposed acquisition is contrary to law or determines that such proposed acquisition would be contrary to the best interests of the parent insurer's policyholders or of the people of this state. Only the following factors shall be considered in making the foregoing determination:

(1) the availability of the funds or assets required for such acquisition;

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

(3) the impact of the new operation on the parent insurer's surplus and existing insurance business and the risks inherent in the parent insurer's investment portfolio and operations;

(4) the fairness and adequacy of the financing proposed for the subsidiary;

(5) the likelihood of undue concentration of economic power;

(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 might result in an excessive proliferation of subsidiaries that would tend to unduly dilute management effectiveness or weaken financial strength, or otherwise be contrary to the best interests of the parent insurer's policyholders or of the people of this state.

(c) At any time after an acquisition the superintendent may order its disposition if the superintendent finds, after notice and an opportunity to be heard, that its continued retention is hazardous or prejudicial to the interests of the parent insurer's policyholders.

(d) Any domestic insurer seeking to divest its controlling interest in

another 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.

(e) The contents of each notice of intention of a proposed acquisition or divestiture filed hereunder and information pertaining thereto shall be kept confidential, shall not be subject to subpoena and shall not be made public unless after notice and opportunity to be heard the superintendent determines that the interests of policyholders, shareholders or the public will be served by publication.