§ 7316. Conversion of savings banks life insurance into a mutual life insurance company. (a) (1) Upon compliance with the requirements of this section, the life insurance business conducted by all savings and insurance banks as defined in article six-A of the banking law may be converted into and transferred to a corporation formed as set forth in subsection (b) of this section and licensed as a mutual life insurance company to do the kinds of insurance business specified in paragraphs one, two and three of subsection (a) of section one thousand one hundred thirteen of this chapter. Such conversion and transfer shall be effected pursuant to a plan approved by the superintendent and the superintendent of banks. Such plan shall be submitted by the trustees of savings banks life insurance fund to the superintendent and the superintendent of banking in writing and shall set forth in full the terms and conditions thereof.

(2) Prior to the submission thereof to the superintendent and the superintendent of banks, such plan shall be approved by the vote of at least three-fourths of the trustees of savings banks life insurance fund and then by the vote of at least three-fourths of all the savings and insurance banks at a meeting of all such banks called for the purpose of submitting such plan to such banks for approval. Written notice of such meeting shall be given to each such bank by first class mail addressed to the chairman or president of the bank at the bank's principal office not less than thirty days prior to the date of such meeting. Such notice shall state the purpose for which the meeting is called and shall be accompanied by a true and complete copy of such plan. At such meeting the vote of each such bank shall be cast by the chairman or president thereof or by an officer thereof designated by the chairman or president in a writing addressed to and received by the secretary of savings banks life insurance fund prior to the date of such meeting. The results of the vote and the minutes of the meeting shall be submitted to the superintendent and the superintendent of banks.

(3) The superintendent and the superintendent of banks each may approve the plan if he finds that it conforms to the requirements of law and is fair and equitable to the holders of insurance policies issued by the life insurance departments of the savings and insurance banks. The plan submitted shall include a filing in accordance with section thirteen hundred twenty-two of this chapter which shows that the

proposed mutual insurer's risk based capital level is in excess of the company action level and there is no company action level event. Upon the approval by the superintendent and the superintendent of banks of the plan, the trustees of savings banks life insurance fund shall form a corporation as set forth in subsection (b) of this section to which the life insurance business conducted by all the savings and insurance banks shall be transferred.

(b)(1) To form the corporation described in subsection (a) of this section, the trustees of savings banks life insurance fund shall submit to the superintendent, in writing, a proposed declaration, charter and by-laws for such corporation. Such submission to establish a licensed corporation shall conform to the requirements of section one thousand two hundred one of this chapter.

(2) If the superintendent finds that the submission complies with the requirements of section one thousand two hundred one of this chapter, he shall file the declaration, charter and by-laws in his office. Coincident with such filing, the corporation that is the subject of such declaration, charter and by-laws shall be licensed as a mutual life insurance company to do the kinds of insurance business specified in paragraphs one, two and three of subsection (a) of section one thousand one hundred thirteen of this chapter and shall have all the powers of such a corporation under this chapter. If requested by the corporation, the superintendent shall issue a certified copy of the declaration and charter and a certificate of incorporation executed by him in the name or the people of the state.

(3) The corporation formed pursuant to the provisions of this subsection shall be liable for, and shall hold savings banks life insurance fund, its trustees, officers and employees harmless from, all obligations of and claims against savings banks life insurance fund, its trustees, officers or employees related to or arising out of the powers or duties of savings banks life insurance fund under article six-A of the banking law. Such corporation shall be liable for, and shall hold each savings and life insurance bank, its directors, officers and employees harmless from, all obligations of and claims against such savings and life insurance bank, its directors, officers and employees related to or arising out of each and every insurance policy and each and every annuity contract issued by the life insurance department of

such bank.