§ 7402. Grounds for rehabilitation of domestic insurer. The superintendent may apply under this article for an order directing him to rehabilitate a domestic insurer which:

(a) Is insolvent within the meaning of section one thousand three hundred nine of this chapter.

(b) Has refused to submit its books, papers, accounts or affairs to the reasonable inspection of the superintendent, his deputy or examiner.

(c) Has failed or refused to comply, within the time designated by the superintendent, with an order of the superintendent, pursuant to law, to make good an impairment of its capital, or minimum surplus to policyholders, if a stock insurer, or of its minimum surplus, if a mutual insurer, a reciprocal insurer, Lloyds underwriters or a co-operative fire insurance corporation.

(d) Has transferred or attempted to transfer, by contract of reinsurance or otherwise, substantially its entire property or business, or entered into any transaction which merges substantially its entire property or business into the property or business of any other corporation, association, society, order, firm or individual, without having first obtained the approval of the superintendent.

(e) Is found, after examination, to be in such condition that its further transaction of business will be hazardous to its policyholders, creditors, or the public.

(f) Has wilfully violated its charter or any law of the state.

(g) Has an officer who refused to be examined under oath, concerning its affairs.

(h) If organized under article five-a, six, seven, eight, ten or ten-b of the former insurance law constituting chapter twenty-eight of the consolidated laws of nineteen hundred nine, or if organized as a mutual or non-stock insurer under article nine-a, nine-c, ten, eleven-a, eleven-b, twelve or fourteen of the former insurance law constituting chapter twenty-eight of the consolidated laws in effect immediately before the effective date of this chapter or article forty-one, forty-two, forty-four, forty-five, sixty-one or sixty-six of this chapter, including amendments thereto in force at the time of such organization, is found to be in such condition, after examination, that it could not meet the requirements for incorporation and authorization specified in such articles except with respect to having any required

initial surplus.

(i) Has ceased to do the business of insurance for a period of one year as provided in subsection (b) of section one thousand two hundred three of this chapter.

(j) Has commenced voluntary liquidation or dissolution, or attempts to commence or prosecute any action or proceeding to liquidate its business or affairs, or to dissolve its corporate charter, or to procure the appointment of a receiver, trustee, custodian, or sequestrator under any law except this article.

(k) Has been the subject of an application for the appointment of a receiver, trustee, custodian or sequestrator of the insurer or its property, or if a receiver, trustee, custodian, or sequestrator is appointed by a federal court or if such appointment is imminent.

(l) Has consented to such an order through a majority of its directors, shareholders, or members.

(m) Has not organized or completed its organization and obtained a license or certificate authorizing it to commence the doing of an insurance business within one year from the date of its incorporation, as provided in subsection (a) of section one thousand two hundred three of this chapter.

(n) Has failed or refused to take such steps as may be necessary to remove from office any officer or director whom the superintendent has found, after notice to and hearing of such insurer and of such officer or director, to be a dishonest or untrustworthy person.

(o) Has an occurrence of an authorized control level event or a mandatory control level event pursuant to subsection (f) or (g) of section one thousand three hundred twenty-two or subsection (f) or (g) of section one thousand three hundred twenty-four of this chapter.