§ 8019. Conversion of mutual holding company. (a) A mutual holding company may reorganize in accordance with a plan of reorganization which is fair and equitable to the company's members and is:

(1) adopted by action of three-fourths of its entire board of directors;

(2) approved by the superintendent if found by the superintendent to be fair and equitable to the company's members after a hearing held upon notice to the company's members; and, thereafter,

(3) adopted by the affirmative vote of two-thirds of all votes cast by members of the company entitled to vote, after notice being given to all members entitled to vote. The mutual holding company shall give written notice stating the date, time and place for voting on such proposal to members entitled to notice of and to vote on the proposal in accordance with this section, sent by mail or electronic transmission to the last known mailing or electronic addresses of such policyholders as shown on the records of the mutual holding company. Such notice shall be sent at least thirty days before the date of the proposed vote to approve the plan of reorganization. Such notice may be combined with notice of the hearing required by paragraph two of this subsection. Such notice shall be preceded or accompanied by a true and correct copy of the plan, or by a summary thereof approved by the superintendent, and such other explanatory information as the superintendent shall approve or require.

(b) A plan of reorganization pursuant to subsection (a) of this section shall provide for the membership interests in the mutual holding company being extinguished and may provide either for:

(1) the conversion of the mutual holding company into a stock corporation, in which event consideration distributed shall be equal to that required under section seven thousand three hundred twelve of this chapter or such other law governing the demutualization of mutual life insurers as may then be in effect; or

(2) the distribution to eligible members of the mutual holding company of consideration consisting of all assets of the mutual holding company including all stock of the reorganized insurer or any stock holding company owned by the mutual holding company, or other consideration having equivalent aggregate value, which may be in the form of cash, securities of any institution, additional insurance or annuity benefits or policy credits, increased dividends or other consideration, all such

consideration being allocated among eligible members of the mutual holding company in a manner that is fair and equitable to the company's members.

(c) If no closed block of participating policies and contracts was established or alternative provision was approved pursuant to section eight thousand three of this article when the mutual holding company was established or thereafter, then the plan of reorganization of the mutual holding company pursuant to subsection (a) of this section shall provide for the establishment of such a closed block or alternative provision upon a reorganization of the mutual holding company under this section. Any such closed block or alternative provisions shall be subject to subsection (b) of section eight thousand three of this article. However, if a closed block of participating policies and contracts was established or alternative provision was approved pursuant to subsection (b) of section eight thousand three of this article when the mutual holding company was established or thereafter, then no such closed block or alternative provision shall be required upon a reorganization of the mutual holding company under this section.