

40-4011. Actions challenging validity of conversion; security required. No action challenging the validity of a conversion, or any aspect of such conversion under this act, may be commenced more than 30 days after the final act of conversion.

In any action challenging the plan of conversion or charging that the directors of the converting insurer, the converted insurer, the mutual holding company or the stock holding company, as applicable or any other person or persons have acted improperly in connection with any aspect of the conversion, the insurer or converted insurer in whose right such action is brought or the defendant or defendants shall be entitled at any stage of the proceedings before final judgment to require the plaintiff or plaintiffs to give security for the reasonable expenses including attorney fees, which may be incurred by the converting insurer, converted insurer or any other parties defendant in connection with such action. Thereafter, the amount of such security, from time to time, may be increased or decreased in the discretion of the court having jurisdiction of such action upon a showing that the security provided has or may become inadequate or excessive.

History: L. 1985, ch. 154, § 11; L. 1997, ch. 107, § 13; July 1.