

[S.D. Codified Laws § 58-5A-9.]

§ 58-5A-9. Approval by director or acquisition or merger--Grounds for disapproval: Insurance Holding Companies

The director shall approve any merger or other acquisition of control referred to in §§ 58-5A-3 and 58-5A-45 unless, after a public hearing he finds that:

- (1) After the change of control the domestic insurer would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;
- (2) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly. In applying the competitive standard in this subdivision:
 - (a) The informational requirements of § 58-5A-48 and the standards of § 58-5A-50 shall apply;
 - (b) The merger or other acquisition shall not be disapproved if the director finds that any of the situations meeting the criteria provided by § 58-5A-50 exist; and
 - (c) The director may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;
- (3) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;
- (4) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest;
- (5) The competence, experience, and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or
- (6) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.