**Principles for Insurance Business Transfers (IBT) and Division Statutes**

**Due Process**

* Robust due process must be afforded to stakeholders impacted by a transaction (policyholders, reinsurers, guaranty associations). This should include:
  + Notice to stakeholders as determined by the regulator
  + Public hearing
  + Opportunity to submit written comments

**Guaranty Fund Coverage**

* No impacted policyholder should lose or gain guaranty fund protection as a result of a transaction.

**Robust Regulatory Review Process**

* The regulatory review must be robust and should, at a minimum, include the following findings:
  + The assets to be allocated to insurers involved in the transaction are adequate to cover the insurer’s liabilities.
  + The impact and terms of the transaction do not have a material adverse impact on policyholders, reinsurers, or guaranty associations.
  + The review should consider the plans of any insurer involved in the transaction to liquidate another involved insurer, sell its assets, consolidate, merge, or make other changes, and the resulting impact on policyholders, reinsurers, and guaranty associations.

**Independent Expert**

* The regulatory review process for insurance business transfers will utilize an independent expert to advise and assist the regulator in reviewing proposed transactions (including advising on any material adverse impact on policyholders, reinsurers, or guaranty associations) and to provide any other assistance or advice the regulator may require.

**Court Approval**

* Court approval must be required for insurance business transfer transactions but not for divisions.