

REDOMESTICATION MODEL BILL

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An Act to provide a means whereby any insurer organized under the laws of any other state may become a domestic insurer; to provide a means for any domestic insurer to transfer its domicile to another state; and to provide a means for the continuation of a certificate of authority and other approvals pertaining to a foreign insurer that transfers its corporate domicile to another state by merger or consolidation or any other lawful method.

Section 1. Approval as a Domestic Insurer

An insurer that is organized under the laws of any other state and is admitted to do business in this state for the purpose of writing insurance may become a domestic insurer by complying with all of the requirements of law relative to the organization and licensing of a domestic insurer of the same type and by designating its principal place of business at a place in this state. The domestic insurer will be entitled to like certificates and licenses to transact business in this state, and shall be subject to the authority and jurisdiction of this state.

Section 2. Conversion to Foreign Insurer

A domestic insurer may, upon the approval of the commissioner of insurance, transfer its domicile to any other state in which it is admitted to transact the business of insurance, and upon such a transfer shall cease to be a domestic insurer, and shall be admitted to this state if qualified as a foreign insurer. The commissioner of insurance shall approve the proposed transfer unless he or she determines the transfer is not in the interest of the policyholders of this state.

Section 3. Effects of Redomestication

The certificate of authority, agents appointments and licenses, rates and other items which the commissioner of insurance allows, in his or her discretion, that are in existence at the time an insurer licensed to transact the business of insurance in this state transfers its corporate domicile to this or any other state by merger, consolidation or any other lawful method shall continue in full force and effect upon transfer if the insurer remains duly qualified to transact the business of insurance in this state. All outstanding policies of a transferring insurer shall remain in full force and effect and need not be endorsed as to the new name of the company or its new location unless so ordered by the commissioner of insurance. A transferring insurer shall file new policy forms with the commissioner of insurance on or before the effective date of the transfer, but may use existing policy forms with appropriate endorsements if allowed by, and under such conditions as approved by, the commissioner of insurance. However, every transferring insurer shall notify the commissioner of insurance of the details of the proposed transfer and shall file promptly any resulting amendments to corporate documents filed or required to be filed with the commissioner of insurance.

Section 4. Authority of Promulgate Rules and Regulations

The commissioner of insurance of this state may promulgate rules and regulations to carry out the purposes of this Act.

Redomestication Model Bill

Chronological Summary of Action (all references are to the Proceedings of the NAIC).

1980 Proc. I 33-34, 37, 211, 229, 230, 231 (adopted).