

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.

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

1980 Proc. 133-34, 37, 211, 229, 230, 231 (adopted).

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This chart is intended to provide readers with additional information to more easily access state statutes, regulations, bulletins or administrative rulings related to the NAIC model. Such guidance provides readers with a starting point from which they may review how each state has addressed the model and the topic being covered. The NAIC Legal Division has reviewed each state’s activity in this area and has determined whether the citation most appropriately fits in the Model Adoption column or Related State Activity column based on the definitions listed below. The NAIC’s interpretation may or may not be shared by the individual states or by interested readers.

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Nor does this state page reflect a determination as to whether a state meets any applicable accreditation standards. Every effort has been made to provide correct and accurate summaries to assist readers in locating useful information. Readers should consult state law for further details and for the most current information.

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KEY:

MODEL ADOPTION: States that have citations identified in this column adopted the most recent version of the NAIC model in a **substantially similar manner**. This requires states to adopt the model in its entirety but does allow for variations in style and format. States that have adopted portions of the current NAIC model will be included in this column with an explanatory note.

RELATED STATE ACTIVITY: Examples of Related State Activity include but are not limited to: older versions of the NAIC model, statutes or regulations addressing the same subject matter, or other administrative guidance such as bulletins and notices. States that have citations identified in this column **only** (and nothing listed in the Model Adoption column) have **not** adopted the most recent version of the NAIC model in a **substantially similar manner**.

NO CURRENT ACTIVITY: No state activity on the topic as of the date of the most recent update. This includes states that have repealed legislation as well as states that have never adopted legislation.

NAIC MEMBER	MODEL ADOPTION	RELATED STATE ACTIVITY
Alabama	ALA. CODE §§ 27-3-30 to 27-3-32 (1991).	
Alaska	ALASKA STAT. §§ 21.69.645 to 21.69.648 (1995).	
American Samoa	NO CURRENT ACTIVITY	
Arizona	ARIZ. REV. STAT. ANN. § 20-231 (1979).	
Arkansas	ARK. CODE ANN. § 23-63-218 (1981/1991).	
California	CAL. INS. CODE § 709.5 (1994).	
Colorado	COLO. REV. STAT. § 10-3-125 (1989).	
Connecticut	CONN. GEN. STAT. § 38a-58a (1991).	
Delaware	DEL. CODE ANN. tit. 18, § 4946 (1987).	
District of Columbia	D.C. CODE §§ 31-1701 to 31-1705 (1996/2005).	

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NAIC MEMBER	MODEL ADOPTION	RELATED STATE ACTIVITY
Florida	FLA. STAT. §§ 628.520 to 628.535 (1985/1986).	FLA. ADMIN. CODE ANN. r. 69O-143.060 to 69O-143.061 (1990/1994).
Georgia	GA. CODE ANN. § 33-3-29 (1989).	
Guam	NO CURRENT ACTIVITY	
Hawaii	HAW. REV. STAT. §§ 431:3-212.5 to 431:3-215 (1991/2004).	HAW. REV. STAT. §§ 431:19-102.3 to 431:19-102.4 (1993/2012) (Redomestication of captives).
Idaho	IDAHO CODE ANN. §§ 41-342 to 41-344 (1987/1999).	
Illinois		215 ILL. COMP. STAT. 5/180 to 5/185.2 (1987).
Indiana	IND. CODE §§ 27-1-6.5-1 to 27-1-6.5-6 (1980/2003).	
Iowa	IOWA CODE § 508.12 (1987/2011).	
Kansas	KAN. STAT. ANN. § 40-2,162 (1997/1998).	
Kentucky	KY. REV. STAT. ANN. § 304.24-500 (1986/2004).	
Louisiana	LA. REV. STAT. ANN. § 22:1461.1 (1988).	
Maine	ME. REV. STAT. ANN. tit. 24-A, § 3487 (1999).	
Maryland	MD. CODE ANN., INS. § 3-126 (1985/1997).	MD. CODE ANN., INS. § 19-735 (1993) (Redomestication of HMOs).
Massachusetts	MASS. GEN. LAWS ch. 175, § 49A (1993).	
Michigan	MICH. COMP. LAWS §§ 500.412 to 500.415 (1989).	

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NAIC MEMBER	MODEL ADOPTION	RELATED STATE ACTIVITY
Minnesota	MINN. STAT. § 60A.161 (1990).	
Mississippi	MISS. CODE ANN. §§ 83-20-1 to 83-20-7 (1989).	
Missouri	MO. REV. STAT. § 375.908 (1991).	MO. CODE REGS. ANN. tit. 20, § 200-17.300 (2001).
Montana	MONT. CODE ANN. §§ 33-2-126 to 33-2-128 (1991).	
Nebraska	NEB. REV. STAT. §§ 44-161 to 44-164 (1989/2004).	
Nevada		NEV. REV. STAT. § 679A.090; §§ 680A.173 to 680A.177 (1983).
New Hampshire	N.H. REV. STAT. ANN. §§ 405.62 to 405.64 (1992).	
New Jersey	N.J. REV. STAT. § 17:17-20 (1994); § 17B:17-12.1 (1994).	
New Mexico	NO CURRENT ACTIVITY	
New York		N.Y. INS. LAW §§ 7120 to 7121 (1992).
North Carolina	N.C. GEN. STAT. §§ 58-7-60 to 58-7-70 (1987/2001).	
North Dakota	N.D. CENT. CODE §§ 26:1-05-07.1 to 26:1-05-07.3 (1993) (Includes tax credit).	
Northern Marianas	NO CURRENT ACTIVITY	
Ohio	OHIO REV. CODE ANN. § 3913.31 (1989).	
Oklahoma	OKLA. STAT. tit. 36, § 606.1 (1989).	OKLA. ADMIN. R. §§ 365:25-7-10 to 365:25-7-11 (1990).
Oregon	OR. REV. STAT. §§ 731.363 to 731.367 (1995).	

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NAIC MEMBER	MODEL ADOPTION	RELATED STATE ACTIVITY
Pennsylvania	40 PA. STAT. ANN. § 23-113 (1993).	
Puerto Rico	NO CURRENT ACTIVITY	
Rhode Island	R.I. GEN. LAWS §§ 27-2.2-1 to 27-2.2-4 (1992).	
South Carolina	NO CURRENT ACTIVITY	
South Dakota		S.D. CODIFIED LAWS § 58-5-6.1 (1987).
Tennessee	TENN. CODE ANN. § 56-2-102 (1978) (portions of model).	
Texas	TEX. INS. CODE ANN. §§ 983.001 to 983.102 (2003).	
Utah	NO CURRENT ACTIVITY	
Vermont	VT. STAT. ANN. tit. 8, §§ 3437 to 3440 (1991).	
Virgin Islands	NO CURRENT ACTIVITY	
Virginia		VA. CODE ANN. §§ 38.2-1019 to 38.2-1020; § 38.2-1022 (2006).
Washington	WASH. REV. CODE ANN. § 47.07.210 (1988).	
West Virginia	W. VA. CODE § 33-5-27 (2003).	
Wisconsin		WIS. STAT. § 611.223 (1988).
Wyoming	WYO. STAT. ANN. §§ 26-39-101 to 26-39-103 (1989).	

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Proceedings Citations

Cited to the Proceedings of the NAIC

The task force agreed that redomestication of insurance companies presented two general problems: (1) providing a legal procedure by which a company may redomesticate while fully preserving the right and ability of the two states' insurance commissioners to fully protect the interests of the resident policyholders and (2) providing a legal procedure by which other licensing jurisdictions may change their records to reflect the redomestication without impairing their right and ability to protect their resident policyholders. **1978 Proc. II 210.**

The purpose of the model bill was to facilitate the process of changing domicile. The task force considered their own draft and one submitted by the American Council of Life Insurers (ACLI). **1979 Proc. II 207.**

When comparing the two drafts, it became clear that a major difference was that the industry draft allowed a company to redomesticate without going through the normal merger or consolidation process. After substantial discussion, it was decided that insurance companies should be treated in the same manner from the standpoint of their corporate existence as any other entity. Therefore, a merger or consolidation would still be required to redomesticate but the main purpose of the NAIC model would be to facilitate departmental approval of forms, filings and rates, etc. The consensus of the task force was to confine its efforts to facilitating insurance-related approvals and not treat matters of purely corporate existence. **1980 Proc. I 232.**

The ACLI draft included a statement that the act would provide for a continuation of the rights and liabilities of foreign insurers transferring their state of domicile. The task force felt this related to corporate rather than insurance matters, so it was stricken from the model. **1980 Proc. I 232.**

The drafters specifically considered the possibility of conflict with the model merger and acquisition section of the Holding Company Act. It was unanimously decided that no conflict existed. **1980 Proc. 233.**

Section 1. Approval as a Domestic Insurer

The ACLI draft suggested inclusion of a provision in this section for transfer of domicile to be conditioned upon the approval of the commissioner in the original domiciliary state. This would prevent an unintended situation of a corporation having two states of domicile. **1979 Proc. I 155.**

Section 2. Conversion to Foreign Insurer

The advisory committee concurred with the task force that the approval of the commissioner of the existing jurisdiction (current domicile) shall be required before redomestication would be approved. The resolution of the conflict over existing jurisdiction approval removed the major area of difference. **1979 Proc. II 207.**

The industry draft required the commissioner to give written notification within thirty days of any rejection of a transfer of domicile. This requirement was excluded from the draft adopted by the task force for the reason that state insurance laws require notification of such decisions within a specific time period, so there was no need to duplicate that requirement in this bill. **1980 Proc. I 232.**

Section 3. Effects of Redomestication

The major problem is that redomestication centers around the use of an existing certificate of authority, agents' appointments and licenses, rates and other items. It was determined that it would be wise to give the commissioner discretion in determining what items could continue upon the transfer of domicile. After lengthy discussion regarding the use of existing policy forms, it was decided such policy forms could be used until the supply on hand was expended. **1980 Proc. I 232.**

The industry comments on the draft stated this section contained the most important procedural simplification involved in the transfer of an insurer's domicile. It is self contained and could be enacted separately in a state which chooses not to amend its entry or exit laws. **1979 Proc. I 155.**

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Proceedings Citations

Cited to the Proceedings of the NAIC

Section 4. Authority to Promulgate Rules and Regulation

Chronological Summary of Actions

December 1979: Model adopted.