

7640

I N S E N A T E

April 28, 2010

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to the redomestication of insurance companies

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 Section 1. Section 7120 of the insurance law, as amended by chapter 48
2 of the laws of 2009, is amended to read as follows:
3 S 7120. Redomestication of [foreign] insurance companies. (a) Defi-
4 nitions. In this section:
5 (1) "Redomestication" means the transfer to this state of the corpo-
6 rate domicile of an authorized foreign company OR THE TRANSFER FROM THIS
7 STATE OF THE CORPORATE DOMICILE OF A DOMESTIC COMPANY, as provided for
8 in this section.
9 (2) "Transferring company" means any authorized [foreign] company
10 seeking redomestication.
11 (b) A transferring company TRANSFERRING TO THIS STATE shall:
12 (1) file with the superintendent a certificate in such form as
13 prescribed by the superintendent signed by the insurance supervisory
14 official of the state where such transferring company is domiciled
15 approving the proposed redomestication and confirming that upon redomes-
16 tication the transferring company shall no longer be subject as a domes-
17 tic company to the requirements of its current state of domicile;
18 (2) comply with the applicable requirements of this chapter regarding
19 the organization and licensing of a domestic company of the same type;
20 (3) demonstrate to the satisfaction of the superintendent that upon
21 redomestication, the transferring company will be in compliance with the
22 requirements of this chapter and any regulations promulgated thereunder
23 applicable to a domestic company of the same type;
24 (4) submit to the superintendent all documents and filings necessary
25 to comply with paragraphs two and three of this subsection; and
26 (5) submit new policy forms to the superintendent for use after redo-
27 mestication, if so ordered by the superintendent, or use existing policy
28 forms with appropriate endorsements if allowed by, and under such condi-
29 tions as approved by, the superintendent.
30 (B-1) A TRANSFERRING COMPANY TRANSFERRING FROM THIS STATE SHALL:

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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(1) UPON THE APPROVAL OF THE SUPERINTENDENT, 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 COMPANY, AND SHALL BE ADMITTED TO THIS STATE IF QUALIFIED AS A FOREIGN COMPANY. THE SUPERINTENDENT SHALL APPROVE THE TRANSFER UNLESS HE OR SHE DETERMINES THE TRANSFER IS NOT IN THE INTEREST OF THE POLICYHOLDERS OF THIS STATE;

(2) COMPLY WITH THE APPLICABLE REQUIREMENTS OF THIS CHAPTER REGARDING THE ORGANIZATION AND LICENSING OF A FOREIGN COMPANY OF THE SAME TYPE;

(3) DEMONSTRATE TO THE SATISFACTION OF THE SUPERINTENDENT THAT THE REDOMESTICATION WILL NOT RESULT IN A REDUCTION IN THE NUMBER OF EMPLOYEES EMPLOYED BY THE TRANSFERRING COMPANY IN THIS STATE OR A REDUCTION IN THE NUMBER OF THE COMPANY'S OFFICES OR FACILITIES LOCATED IN THIS STATE;

(4) DEMONSTRATE TO THE SATISFACTION OF THE SUPERINTENDENT THAT THE REDOMESTICATION WILL FURTHER THE MORE EFFICIENT REGULATION OF THE HOLDING COMPANY SYSTEM WHICH CONTROLS THE COMPANY;

(5) DEMONSTRATE TO THE SATISFACTION OF THE SUPERINTENDENT THAT UPON REDOMESTICATION, THE TRANSFERRING COMPANY WILL BE IN COMPLIANCE WITH THE REQUIREMENTS OF THIS CHAPTER AND ANY REGULATIONS PROMULGATED THEREUNDER APPLICABLE TO A FOREIGN COMPANY OF THE SAME TYPE;

(6) SUBMIT TO THE SUPERINTENDENT ALL DOCUMENTS AND FILINGS NECESSARY TO COMPLY WITH PARAGRAPHS TWO AND THREE OF THIS SUBSECTION; AND

(7) SUBMIT NEW POLICY FORMS TO THE SUPERINTENDENT FOR USE AFTER REDOMESTICATION, IF SO ORDERED BY THE SUPERINTENDENT, OR USE EXISTING POLICY FORMS WITH APPROPRIATE ENDORSEMENTS IF ALLOWED BY, AND UNDER SUCH CONDITIONS AS APPROVED BY, THE SUPERINTENDENT.

(c) After the transferring company has complied with the provisions of this section, the superintendent may, in accordance with section one thousand one hundred two of this chapter issue a new license to the transferring company to reflect the change in its state of corporate domicile. The duration of its license shall be governed by section one thousand one hundred three of this chapter. Upon issuance of such new license the redomestication shall become effective and the transferring company shall be a domestic company OR A FOREIGN COMPANY, AS APPROPRIATE.

(d) Simultaneous with the redomestication taking effect:

(1) all materials and documents that were submitted to the superintendent by the transferring company pursuant to the requirements of this section shall be filed in the office of the superintendent; and

(2) FOR A TRANSFERRING COMPANY TRANSFERRING TO THIS STATE, the superintendent shall, in accordance with section one thousand two hundred one or other applicable provisions of this chapter issue to the company a certified copy of its new declaration and charter and a certificate of incorporation. The new charter of the company may provide for the continuation of the corporate existence of the transferring company and in such case the original date of incorporation of the transferring company shall be the date of incorporation of the new domestic company.

(e) All outstanding insurance policies and contracts shall remain in full force and effect with no change and need not be endorsed as to the new name of the company, if any, or its new location unless ordered by the superintendent.

(f) All agents' appointments and licenses, rates, and other items that the superintendent allows, existing at the time of redomestication, shall continue in full force and effect in accordance with applicable provisions of this chapter.

S 2. This act shall take effect immediately.