S T A T E O F N E W Y O R K

3366

2011-2012 Regular Sessions

I N S E N A T E

February 17, 2011

Introduced by Sen. SEWARD -- 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:

Section 1. Section 7120 of the insurance law, as amended by chapter 48 of the laws of 2009, is amended to read as follows:

S 7120. Redomestication of [foreign] insurance companies. (a) Definitions. In this section:

(1) "Redomestication" means the transfer to this state of the corporate domicile of an authorized foreign company OR THE TRANSFER FROM THIS STATE OF THE CORPORATE DOMICILE OF A DOMESTIC COMPANY, as provided for in this section.

(2) "Transferring company" means any authorized [foreign] company seeking redomestication.

(b) A transferring company TRANSFERRING TO THIS STATE shall:

(1) file with the superintendent a certificate in such form as prescribed by the superintendent signed by the insurance supervisory official of the state where such transferring company is domiciled approving the proposed redomestication and confirming that upon redomestication the transferring company shall no longer be subject as a domestic company to the requirements of its current state of domicile;

(2) comply with the applicable requirements of this chapter regarding the organization and licensing of a domestic company of the same type;

(3) 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 domestic company of the same type;

(4) submit to the superintendent all documents and filings necessary to comply with paragraphs two and three of this subsection; and

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

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(5) 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) A TRANSFERRING COMPANY TRANSFERRING FROM THIS STATE:

(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 IT SHALL CEASE TO BE A DOMESTIC COMPANY, AND SHALL BE AUTHORIZED IN THIS STATE, IF QUALIFIED, AS A FOREIGN INSURER. THE SUPERINTENDENT SHALL APPROVE THE TRANSFER UNLESS HE OR SHE DETERMINES THE TRANSFER IS NOT IN THE INTEREST OF THE POLICYHOLDERS OF THIS STATE; AND

(2) MAY CONTINUE ISSUING POLICY FORMS APPROVED BEFORE REDOMESTICATION PURSUANT TO SECTION THREE THOUSAND TWO HUNDRED ONE OF THIS CHAPTER WITH SUCH ENDORSEMENT, IF ANY, AS THE SUPERINTENDENT DETERMINES IS NEEDED TO REFLECT THE REDOMESTICATION.

(D) 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)] (E) 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 SUBJECT TO SUBSECTION (H) OF THIS SECTION; 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)] (F) 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)] (G) 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.

(H) THE SUPERINTENDENT SHALL KEEP THE CONTENTS OF ANY REPORT OR INFORMATION THE SUPERINTENDENT REQUIRES PURSUANT TO THIS SECTION, AND THAT IS NOT OTHERWISE REQUIRED TO BE SET FORTH IN A PUBLICLY AVAILABLE REPORT OR FILING, CONFIDENTIAL IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (C) OF SECTION ONE THOUSAND FIVE HUNDRED FOUR OF THIS CHAPTER.

S 2. This act shall take effect immediately.