

40-5203. Same; notice to policyholders; contents. (a) The transferring insurer shall provide or cause to be provided to each policyholder a notice of transfer by first-class mail, addressed to the policyholder's last known address or to the address to which premium notices or other policy documents are sent or, with respect to home service business, by personal delivery with acknowledged receipt. A notice of transfer shall also be sent to the transferring insurer's agents or brokers of record on the affected policies.

(b) The notice of transfer shall state or provide:

(1) The date the transfer and novation of the policyholder's contract of insurance is proposed to take place;

(2) the name, address and telephone number of the assuming and transferring insurer;

(3) that the policyholder has the right to either consent to or reject the transfer and novation;

(4) the procedures and time limit for consenting to or rejecting the transfer and novation;

(5) a summary of any effect that consenting to or rejecting the transfer and novation will have on the policyholder's rights;

(6) a statement that the assuming insurer is licensed to write the type of business being assumed in the state where the policyholder resides, or is otherwise authorized, as provided herein, to assume such business;

(7) the name and address of the person at the transferring insurer to whom the policyholder should send its written statement of acceptance or rejection of the transfer and novation;

(8) the address and phone number of the insurance department where the policyholder resides so that the policyholder may write or call the insurance department for further information regarding the financial condition of the assuming insurer;

(9) the following financial data for both companies:

(A) Ratings for the last five years if available or for such lesser period as is available from two nationally recognized insurance rating services acceptable to the commissioner including the rating service's explanation of the meaning of the ratings. If ratings are unavailable for any year of the five-year period, this shall also be disclosed;

(B) a balance sheet as of December 31 for the previous three years, if available, or for such lesser period as is available and as of the date of the most recent quarterly statement;

(C) a copy of the management's discussion and analysis that was filed as a supplement to the previous year's annual statement; and

(D) an explanation of the reason for the transfer.

(c) Notice in a form identical or substantially similar to the form set forth in this act shall be deemed to comply with the requirements of subsection (b) of this section and amendments thereto.

(d) The notice of transfer shall include a pre-addressed, postage-paid response card which a policyholder may return as such policyholder's written statement of acceptance or rejection of the transfer and novation.

(e) The notice of transfer shall be filed as part of the prior approval requirement.

(f) This section shall take effect on and after July 1, 2004.

History: L. 2004, ch. 128, § 8; May 20.