

House Bill 1049

By: Representatives Williamson of the 112<sup>th</sup>, Lumsden of the 12<sup>th</sup>, Taylor of the 173<sup>rd</sup>, and Werkheiser of the 157<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 52 of Title 33 of the Official Code of Georgia Annotated, relating to  
2 assumption reinsurance agreements, so as to enact the "Insurance Business Transfer Act";  
3 to provide for a short title; to provide for legislative intent; to provide for definitions; to  
4 provide for court authority; to provide for notice requirements; to provide for an application  
5 procedure; to provide for court review of a petition; to provide for ongoing jurisdiction by  
6 the court; to provide for court approval; to provide for appeal; to provide for confidentiality;  
7 to provide for ongoing oversight by the Commissioner; to provide for certain fees and costs  
8 to be borne by the applicant; to provide for compensation, costs, and expenses of the  
9 independent expert and any consultants to be borne jointly by the transferring insurer and  
10 assuming insurer; to provide for dismissal of petition; to provide for suspension or revocation  
11 of certificate; to provide for construction; to make conforming changes; to provide for related  
12 matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

14 **SECTION 1.**

15 Chapter 52 of Title 33 of the Official Code of Georgia Annotated, relating to assumption  
16 reinsurance agreements, is amended by designating Code Sections 33-52-1 through 33-52-6  
17 as Article 1.

18 **SECTION 2.**

19 Said chapter is further amended by replacing "chapter" with "article" wherever the former  
20 term occurs in:

- 21 (1) Code Section 33-52-1, relating to applicability of chapter;  
22 (2) Code Section 33-52-2, relating to definitions; and  
23 (3) Code Section 33-52-4, relating to rejection of transaction by policyholders, receipt of  
24 notice, and transfers involving companies deemed to be in hazardous condition.

25 **SECTION 3.**

26 Said chapter is further amended by enacting a new article to read as follows:

27 "ARTICLE 2

28 33-52-10.

29 This Act shall be known and may be cited as the 'Insurance Business Transfer Act.'

30 33-52-11.

31 This article is adopted to provide options to address the limitations in the current methods  
32 available to insurers to transfer or assume blocks of insurance business in an efficient and  
33 cost-effective manner that: provides needed legal finality for such transfers in order to  
34 provide for improved operational and capital efficiency for insurance companies;  
35 stimulates the economy by attracting segments of the insurance industry to this state; makes

36 this state an attractive home jurisdiction for insurance companies; encourages economic  
37 growth and increased investment in the financial services sector; and increases the  
38 availability of quality insurance industry jobs in this state. These purposes are  
39 accomplished by providing a basis and procedures for the transfer and novation of policies  
40 from a transferring insurer to an assuming insurer by way of an insurance business transfer  
41 plan without the affirmative consent of policyholders or reinsureds. The novation is  
42 effected by court order. This article establishes the requirements for notice and disclosure  
43 and standards and procedures for the approval of the transfer and novation by the  
44 Commissioner and the Superior Court of Fulton County pursuant to an insurance business  
45 transfer plan. This article shall not limit or restrict other means of effecting a transfer or  
46 novation.

47 33-52-12.

48 As used in this article, the term:

49 (1) 'Affiliate' means a person that directly, or indirectly through one or more  
50 intermediaries, controls, is controlled by, or is under common control with the person  
51 specified.

52 (2) 'Applicant' means an assuming insurer, transferring insurer, or reinsurer applying to  
53 the Commissioner for the approval of an insurance business transfer plan as provided for  
54 in Code Section 33-52-15.

55 (3) 'Approval order' means an order issued by the court approving an insurance business  
56 transfer plan as provided for in Code Section 33-52-15.

57 (4) 'Assuming insurer' means an insurer domiciled in this state that assumes or seeks to  
58 assume policies from a transferring insurer pursuant to this article. An assuming insurer  
59 may be a company established pursuant to Chapter 41 of this title.

60 (5) 'Court' means the Superior Court of Fulton County.

61 (6) 'Implementation order' means an order issued by the court implementing an insurance  
62 business transfer plan as provided for in Code Section 33-52-15.

63 (7) 'Independent expert' means an impartial individual who assists the Commissioner and  
64 the court in connection with their review of a proposed transfer and novation of insurance  
65 business. The Commissioner shall select such expert from a list of at least two nominees  
66 submitted jointly by the transferring insurer and the assuming insurer; provided, however,  
67 that, if the Commissioner, in his or her sole discretion, rejects such nominees, the  
68 Commissioner may appoint another person to serve as an independent expert. An  
69 independent expert or nominee shall:

70 (A) Hold no financial interest in either the assuming insurer or transferring insurer or  
71 any of their respective affiliates;

72 (B) Not have been employed by or acted as an officer, director, consultant, or other  
73 independent contractor for either the assuming insurer or transferring insurer within the  
74 previous twelve months;

75 (C) Not be simultaneously appointed by the Commissioner to assist in any capacity in  
76 any insurer rehabilitation or delinquency proceeding;

77 (D) Not receive or be promised compensation in connection with the insurance  
78 business transfer for which he or she is selected to serve as an independent expert;  
79 provided, however, that a fee may be approved by the Commissioner that is not  
80 contingent upon the approval, implementation, or consummation of an insurance  
81 business transfer plan; and

82 (E) Provide proof of insurance covering the services provided as an independent expert  
83 as determined by the Commissioner.

84 (8) 'Insurance business transfer' means a transfer and novation in accordance with this  
85 article. An approved insurance business transfer transfers insurance obligations, risks,  
86 rights, or any combination thereof, of existing or in-force contracts of insurance or  
87 reinsurance from a transferring insurer to an assuming insurer. An approval order and

88 an implementation order of an insurance business transfer plan will effect a transfer and  
89 novation of the transferred contracts of insurance or reinsurance with the result that the  
90 assuming insurer becomes directly liable to the policyholders of the transferring insurer  
91 and the transferring insurer's insurance obligations, risks, rights, or any combination  
92 thereof, under the contracts are extinguished.

93 (9) 'Insurance business transfer plan' or 'plan' means the plan submitted to the department  
94 to accomplish the transfer and novation pursuant to an insurance business transfer,  
95 including any associated transfer of assets and rights from or on behalf of the transferring  
96 insurer to the assuming insurer.

97 (10) 'Insurer' means an insurance or surety company, including a reinsurance company,  
98 and includes a corporation, company, partnership, association, society, order, individual,  
99 or aggregation of individuals engaging in or proposing or attempting to engage in any  
100 kind of insurance or surety business, including the exchanging of reciprocal or  
101 interinsurance contracts between individuals, partnerships, and corporations.

102 (11) 'Notice' means written notice, telephone notice, electronic notice, or substitute  
103 notice, as consented to in an agreement included in or related to the subject business, or  
104 as provided by rules and regulations promulgated by the Commissioner.

105 (12) 'Petitioner' means an assuming insurer, transferring insurer, or reinsurer petitioning  
106 a court for an approval order and an implementation order of a plan pursuant to this  
107 article.

108 (13) 'Policy' means a policy, contract or certificate of insurance or a contract of  
109 reinsurance pursuant to which an insurer agrees to assume an insurance obligation or risk,  
110 or both, of a policyholder or to make payments on behalf of, or to, such policyholder or  
111 its beneficiaries, and shall include property, casualty, life, health, and any other line of  
112 insurance the Commissioner deems appropriate for an insurance business transfer.

113 (14) 'Policyholder' means an insured or a reinsured under a policy that is part of the  
114 subject business.

115 (15) 'Subject business' means the policy or policies designated for transfer and novation  
116 pursuant to a corresponding insurance business transfer plan.

117 (16) 'Transfer and novation' means the transfer of insurance obligations, risks, rights, or  
118 any combination thereof, of existing or in-force policies from a transferring insurer to an  
119 assuming insurer, with the result that the assuming insurer becomes directly liable to the  
120 policyholders of the transferring insurer on the transferred policies and the transferring  
121 insurer's insurance obligations, risks, rights, or any combination thereof, under the  
122 transferred policies are extinguished.

123 (17) 'Transferring insurer' means an insurer or reinsurer that seeks to or has  
124 accomplished a transfer and novation of insurance obligations, risks, rights, or any  
125 combination thereof, under one or more policies to an assuming insurer pursuant to an  
126 insurance business transfer plan and the provisions of this article.

127 33-52-13.

128 Notwithstanding any other provision of law, the court may issue any order, process, or  
129 judgment it deems necessary or appropriate to carry out the provisions of this article. No  
130 provision of this article shall be construed to preclude the court from, on its own motion,  
131 taking any action or making any determination necessary or appropriate to enforce or  
132 implement court orders or rules, or to prevent an abuse of power.

133 33-52-14.

134 (a) When notice is required under this article and except as otherwise permitted or directed  
135 by the court or the Commissioner, such notice shall be transmitted within 45 days of the  
136 event triggering such requirement:

137 (1) To the chief insurance regulatory official in each jurisdiction in which the  
138 transferring insurer:

139 (A) Holds or has ever held a certificate of authority; and

140 (B) In which policies that are part of the subject business were issued or policyholders  
141 currently reside;

142 (2) To the National Conference of Insurance Guaranty Funds, the National Organization  
143 of Life and Health Insurance Guaranty Associations, and all state insurance guaranty  
144 associations for the states in which the transferring insurer:

145 (A) Holds or has ever held a certificate of authority; and

146 (B) In which policies that are part of the subject business were issued or policyholders  
147 currently reside;

148 (3) To reinsurers of the transferring insurer pursuant to the notice provisions of the  
149 reinsurance agreements applicable to the policies that are part of the subject business, or  
150 where an agreement has no provision for notice, by internationally recognized delivery  
151 service;

152 (4) To all policyholders holding policies that are part of the subject business at their last  
153 known address as indicated by the records of the transferring insurer or to the address to  
154 which premium notices or other policy documents are sent. Notice shall also be sent to  
155 the transferring insurer's agents or brokers of record on the subject business; and

156 (5) By publication in a newspaper or other publication of general circulation in the state  
157 in which the transferring insurer has its principal place of business and in such other  
158 publications that the Commissioner requires.

159 (b) When notice is given in accordance with this Code section, any information or orders  
160 under this article shall be conclusive with respect to all intended recipients of the notice,  
161 whether or not the intended recipients receive actual notice.

162 (c) When notice is required by an applicant or petitioner but a receiver of the insurer has  
163 been appointed pursuant to the laws of the insurer's home jurisdiction, the receiver shall  
164 provide the required notice.

165 33-52-15.

166 **(a) Application to the Commissioner for approval of an insurance business transfer**  
167 **plan.**

168 (1) An insurance business transfer plan shall be filed by the applicant with the  
169 Commissioner for review and approval. The plan shall contain the information set forth  
170 below or an explanation as to why such information is not included. The plan may be  
171 supplemented or revised with additional, updated, or other information when deemed  
172 necessary by the Commissioner and as it becomes available:

173 (A) The name, address, and telephone number of the transferring insurer and the  
174 assuming insurer and their respective direct and indirect controlling persons, if any;

175 (B) A summary of the insurance business transfer plan;

176 (C) Identification and description of the subject business;

177 (D) The most recent audited financial statements and annual and quarterly reports of  
178 the transferring insurer and assuming insurer filed with their respective domiciliary  
179 regulator;

180 (E) The most recent actuarial report and actuarial opinion that quantify the liabilities  
181 associated with the subject business;

182 (F) Pro-forma financial statements showing the projected statutory balance sheet,  
183 results of operations, and cash flows of the assuming insurer for the three years  
184 following the proposed transfer and novation;

185 (G) Officers' certificates of the transferring insurer and the assuming insurer attesting  
186 that each has obtained all required internal approvals and authorizations regarding the  
187 insurance business transfer plan and completed all necessary and appropriate actions  
188 relating thereto;

189 (H) Proposal for plan implementation and administration;



- 190 (I) Form of notice to be provided under the plan to any policyholder whose policy is  
191 part of the subject business, including a full description as to how such notice shall be  
192 provided;
- 193 (J) Description of any reinsurance arrangements that will pass to the assuming insurer  
194 under the insurance business transfer plan;
- 195 (K) Description of any guarantees or additional reinsurance that will cover the subject  
196 business following the transfer and novation;
- 197 (L) A statement describing the assuming insurer's proposed investment policies and  
198 any contemplated third-party claims management and administration arrangements;
- 199 (M) Evidence of approval or nonobjection of the transfer from the chief insurance  
200 regulatory official of the jurisdiction of the transferring insurer's domicile; and
- 201 (N) An opinion report from an independent expert. Such report shall provide the  
202 following:
- 203 (i) A statement of the independent expert's professional qualifications and experience  
204 that qualify him or her as an expert suitable for the engagement;
- 205 (ii) The scope of the report;
- 206 (iii) A summary of the terms of the insurance business transfer plan relevant to the  
207 report;
- 208 (iv) A list of and summaries for documents, reports, and other material information  
209 the independent expert has considered in preparing the report and whether any  
210 information requested was not provided;
- 211 (v) The extent to which the independent expert has relied on information and  
212 judgment provided by others;
- 213 (vi) The persons upon whom the independent expert has relied and why such reliance  
214 is reasonable;
- 215 (vii) The independent expert's opinion of the likely effects of the insurance business  
216 transfer plan on policyholders, reinsurers, and claimants, distinguishing between:

- 217 (I) Transferring policyholders, reinsurers, and claimants;  
218 (II) Policyholders, reinsurers, and claimants of the transferring insurer whose  
219 policies will not be transferred; and  
220 (III) Policyholders, reinsurers, and claimants of the assuming insurer;  
221 (viii) For each opinion that the independent expert expresses in the report, the facts  
222 and circumstances supporting such opinion; and  
223 (ix) Consideration as to whether the security position of policyholders that are  
224 affected by the insurance business transfer are materially adversely affected by the  
225 transfer.
- 226 (2) The independent expert's opinion report as required by subparagraph (a)(1)(N) of this  
227 Code section shall include, but shall not be limited to, a review of the following:
- 228 (A) Analysis of the transferring insurer's actuarial review of reserves for the subject  
229 business to determine the reserve adequacy;  
230 (B) Analysis of the financial condition of the transferring insurer and of the assuming  
231 insurer and the effect the insurance business transfer shall have on the financial  
232 condition of each insurance company;  
233 (C) The plans or proposals the assuming insurer has with respect to the administration  
234 of the subject business;  
235 (D) Whether the proposed transfer will likely have a material adverse effect on the  
236 policyholders, reinsurers, or claimants of the transferring insurer and the assuming  
237 insurer;  
238 (E) Analysis of the assuming insurer's corporate governance structure to ensure proper  
239 board and management oversight and expertise to manage the subject business; and  
240 (F) Any other information the Commissioner deems necessary to review the insurance  
241 business transfer plan.
- 242 (3) The Commissioner shall have 60 business days from the date of receipt of a complete  
243 insurance business transfer plan to review such plan to determine if the applicant is

244 authorized to submit such plan to the court. The Commissioner may extend such review  
245 period for an additional 30 business days.

246 (4) The Commissioner shall authorize the submission of the plan to the court unless he  
247 or she finds that the insurance business transfer will likely have a material adverse effect  
248 on the interests of policyholders, reinsurers, or claimants that are part of the subject  
249 business.

250 (5) When the Commissioner determines that the insurance business transfer will likely  
251 have a material adverse effect on the interests of policyholders, reinsurers, or claimants  
252 that are part of the subject business, the Commissioner shall notify the applicant and  
253 specify any modifications, supplements, or amendments, and any additional information  
254 or documentation with respect to the plan that shall be provided to the Commissioner  
255 before he or she will authorize the filing of such insurance business transfer plan with the  
256 court.

257 (6) The applicant shall have 30 days from the date the Commissioner notifies him or her,  
258 as provided in paragraph (5) of this subsection, to file an amended plan providing the  
259 modifications, supplements, or amendments, and additional information or  
260 documentation as requested by the Commissioner. If necessary, the applicant may  
261 request in writing an extension of up to 30 days. If the applicant does not make an  
262 amended filing within the time period provided for in this paragraph, including any  
263 extension of time granted by the Commissioner, the plan filing shall terminate and a  
264 subsequent filing by the applicant shall be considered a new filing which shall require  
265 compliance with all provisions of this article as if the prior filing had never been made.

266 (7) The Commissioner's review period provided for in paragraph (3) of this subsection  
267 shall recommence upon receipt of the amended plan providing the modification,  
268 supplement, amendment, and the additional information or documentation requested in  
269 paragraph (5) of this subsection.

270 (8) When the Commissioner authorizes the applicant to proceed with filing a petition  
271 with the court seeking approval and implementation of the plan, the Commissioner shall  
272 confirm such determination in writing to the applicant.

273 **(b) Petition to the court for approval of the insurance business transfer plan and an**  
274 **implementation order.**

275 (1) Within 30 days of the Commissioner's order determining an insurance business  
276 transfer plan satisfies the requirements of this article, the assuming insurer, transferring  
277 insurer, or reinsurer may file a petition with the court seeking an approval order and an  
278 implementation order of such plan. Upon written request by the applicant to the  
279 Commissioner, the period for filing a petition with the court may be extended for an  
280 additional 30 days.

281 (2) The petition provided for in paragraph (1) of this subsection shall include:

282 (A) The relief sought;

283 (B) Information, arguments, and authorities supporting the requested relief, including  
284 information and analysis in support of the court's finding that the plan will not likely  
285 have a material adverse effect to any policyholder, reinsurer, or claimant;

286 (C) The insurance business transfer plan;

287 (D) A preliminary list of witnesses and exhibits that the petitioner reasonably intends  
288 to present to the court; and

289 (E) A request for the court to enter judgment in favor of the petitioner and that such  
290 judgment shall include findings of fact, conclusions of law, an approval order, an  
291 implementation order, and the court's retention of jurisdiction to allow the parties to  
292 request any orders regarding incidental, consequential, and supplementary matters  
293 necessary to assure the full and effective implementation of such plan.

294 (3) The Commissioner shall be a party to the proceeding before the court concerning the  
295 petition and shall be served with copies of all filings. The Commissioner's position in the  
296 proceeding shall not be limited by his or her initial review of the plan.

297 (4) Within 30 days after the filing of the petition provided for in paragraph (1) of this  
298 subsection, the petitioner shall file a request for a preliminary scheduling order, which  
299 shall include a date and time for a status conference. The status conference shall occur  
300 no fewer than 14 days after the conclusion of the 60 day comment period provided in  
301 paragraph (7) of this subsection.

302 (5) Within 45 days after the court enters the preliminary scheduling order, the petitioner  
303 shall cause the transmission and publication of a notice of the matter before the court in  
304 accordance with the notice provisions of Code Section 33-52-14.

305 (6) The notice provided for in paragraph (5) of this subsection shall include:

306 (A) The date and time of the status conference;

307 (B) The name, address and telephone number of the assuming insurer, transferring  
308 insurer, and Commissioner;

309 (C) Procedures and deadlines for policyholders, claimants, and third parties to submit  
310 comments, objections, or requests to be heard at the trial regarding the plan;

311 (D) The procedure for a policyholder that is unable to access or acquire an electronic  
312 copy of the plan and associated information to request the petitioner to provide one free  
313 hard copy to a policyholder;

314 (E) A summary of the order entered by the Commissioner, including the effect the plan  
315 shall have on policyholders, if any;

316 (F) The name and location of the court in which the petition is filed;

317 (G) The case number, parties, and other identifying information of the matter in the  
318 petition;

319 (H) The relief sought in the petition;

320 (I) The procedure to access an electronic copy of the insurance business transfer plan  
321 and associated information, if any;

322 (J) Further notice of filings, schedules, orders, and other information, as provided in  
323 paragraph (9) of this subsection; and

324 (K) If the plan is approved by the court, the court shall enter a judgment consistent  
325 with paragraph (3) of subsection (c) of this Code section.

326 (7) The last date of the transmission and publication of the notice shall be followed by  
327 a comment period of no fewer than 60 days.

328 (8) Any person, including by their legal representative, that provides written notice  
329 within the 60 day comment period provided for in paragraph (7) of this subsection and  
330 that asserts to be materially adversely affected by the approval and implementation of a  
331 plan may present comment or evidence to the court at the trial; provided, however, that  
332 such comment or evidence shall not confer standing as a party on any person. Any  
333 person participating in the pretrial proceeding or the trial of the petitioner's request for  
334 an order of approval and an implementation order of the plan shall follow the process  
335 established by the court and shall bear their own costs and attorney's fees.

336 (9) Only parties to this matter and those persons and other third parties that file a request  
337 to provide comment or evidence as provided for in paragraph (8) of this subsection shall  
338 receive further notice and copies of filings with the court.

339 (10) Within 45 days of the status conference required as provided for in paragraph (4)  
340 of this subsection, the petitioner shall file a motion for a scheduling order and to enter this  
341 matter on the court's trial docket.

342 **(c) Approval order by the court of an insurance business transfer plan and**  
343 **implementation order.**

344 (1) Pursuant to the court's scheduling order or other orders by the court, the petitioner  
345 shall present the insurance business transfer plan, evidence, and arguments to the court  
346 for approval and implementation of the plan.

347 (2) At any time before the court issues a judgment, the petitioner may withdraw the  
348 petition without prejudice to refileing.

349 (3) When the court finds that the approval and implementation of the insurance business  
350 transfer plan will not materially adversely affect the interests of policyholders or

351 claimants to policies that are part of the subject business, the court shall enter judgment  
352 in favor of the petitioner and an implementation order. Such judgment and order shall  
353 include and provide for:

354 (A) Findings of fact;

355 (B) Conclusions of law;

356 (C) The approval order and the implementation order, including:

357 (i) The simultaneous transfer and novation from the transferring insurer to the  
358 assuming insurer of the subject business with respect to all policyholders, reinsurers,  
359 and claimants and their respective policies and reinsurance agreements under the  
360 subject business;

361 (ii) The simultaneous transfer and novation from the transferring insurer and the  
362 assuming insurer of all insurance obligations, risks, rights, or any combination  
363 thereof, including, but not limited to, the ceded reinsurance of transferred policies and  
364 contracts included in the subject business, notwithstanding any non-assignment  
365 provisions in any such reinsurance contracts or other agreements;

366 (iii) Documentation that the assuming insurer shall have all of transferring insurer's  
367 obligations, risks, rights, or any combination thereof, regarding the subject business  
368 as if it were the original insurer of such policies, including the same standing as the  
369 transferring insurer pursuant to contract, statute, and interpretation, relating back to  
370 the issuance of such policies; and

371 (iv) Documentation that the policyholders' and claimants' obligations, risks, rights,  
372 or any combination thereof, if any, under their respective policies which are part of  
373 the subject business shall not be enlarged, extended, limited, or reduced; provided,  
374 however, that the policyholders and claimants may not pursue or be pursued by the  
375 transferring insurer to satisfy their respective obligations, risks, rights, or any  
376 combination thereof, but rather, the policyholders and claimants may pursue or be  
377 pursued by the assuming insurer;

378 (D) Notice of such judgment, including the resulting transfer and novation, shall be  
379 provided by the petitioner in accordance with the notice requirements as provided in  
380 Code Section 33-52-14;

381 (E) Other orders and provisions with respect to incidental, consequential, and  
382 supplementary matters as are necessary to assure full and effective implementation of  
383 the insurance business transfer plan; and

384 (F) The retention of jurisdiction of the matter so as to allow the parties to request such  
385 additional orders regarding incidental, consequential, and supplemental matters  
386 necessary to assure the full and effective implementation of the plan.

387 (4) When the court finds that the insurance business transfer plan should not be  
388 approved, the court by its order may:

389 (A) Deny the petition; or

390 (B) Provide the petitioner leave to file an amended petition, including an amended  
391 insurance business transfer plan.

392 (5) Nothing in this Code section in any way affects the right of appeal of any party.

393 (d) An unexpired and in-force policy issued to a policyholder that resides in a state other  
394 than this state shall not be transferred and novated unless or until the assuming insurer is  
395 licensed, authorized, permitted, or otherwise legally allowed to administer the subject  
396 business in the same manner as the transferring insurer in the state of such policyholder's  
397 residence.

398 (e) The court may approve the requested transfer and novation of the subject business,  
399 with effectiveness of all or part of the implementation deferred until the assuming insurer  
400 is able to satisfy the requirements pursuant to subsection (d) of this Code section.

401 (f) The Commissioner shall promulgate rules and regulations to effectuate the provisions  
402 of this article. No insurance business transfer plan shall be approved in this state unless  
403 and until such rules and regulations are promulgated. Such rules and regulations may  
404 address, but shall not be limited to, the following issues:



405 (1) Guaranty association coverage;  
406 (2) The financial implications of the transaction, including solvency, capital adequacy,  
407 cash flow, reserves, asset quality, and risk-based capital;  
408 (3) An analysis of the assuming insurer's corporate governance structure to ensure  
409 proper board management oversight and expertise to manage the subject business;  
410 (4) The competency, experience, and integrity of the persons who would control the  
411 operations of an involved insurer; and  
412 (5) Ensuring the transaction is not being made for improper purposes, including fraud.  
413 (g) All testimony, documents, exhibits, analysis, communications, or other information or  
414 evidence submitted to the Commissioner or independent expert in contemplation of an  
415 application, submitted to the court in support of a petition, or developed by the  
416 Commissioner or independent expert in connection with such application or petition for an  
417 approval order and an implementation order of a plan, shall be treated for purposes of  
418 confidentiality as an examination of the financial condition or market conduct of the  
419 transacting companies as provided in Code Section 33-2-14.

420 33-52-16.

421 Insurers subject to this article consent to the jurisdiction of the Commissioner with regard  
422 to ongoing oversight of operations, management, and solvency relating to the transferred  
423 business, including the authority of the Commissioner to conduct financial analysis and  
424 examinations.

425 33-52-17.

426 (a) At the time of filing its application with the Commissioner for review and approval of  
427 an insurance business transfer plan, an applicant shall pay a nonrefundable fee to the  
428 department in the amount of \$10,000.00.

429 (b) In the Commissioner's discretion, in connection with the department's participation in  
430 the proceedings undertaken pursuant to this article, an applicant shall reimburse the  
431 department for any compensation and benefits paid to the personnel of the department for  
432 time spent engaged in the proceedings, including, but not limited to, examiners, actuaries,  
433 attorneys, managers, and paraprofessionals.

434 (c) The Commissioner may retain independent authorized consultants, including attorneys,  
435 appraisers, actuaries, certified public accountants, or other professionals and specialists to  
436 assist department personnel in connection with the review required by this article, the cost  
437 of which shall be borne by the applicant.

438 (d) The applicant shall pay the expenses of the department and its authorized consultants  
439 incurred in fulfilling their obligations under this article, including the actual expenses of  
440 the department or the expenses and compensation of any consultants retained by the  
441 department.

442 (e) The transferring insurer and the assuming insurer shall jointly be obligated to pay any  
443 compensation, costs, and expenses of the independent expert and any consultants retained  
444 by the independent expert and approved by the department incurred in fulfilling the  
445 obligations of the independent expert under this article. Nothing in this article shall be  
446 construed to create any duty for the independent expert to any party other than the  
447 department or the court.

448 (f) Failure to pay any of the requisite fees or reimbursements within 30 days of demand  
449 shall be grounds for the Commissioner to request that the court dismiss the petition for  
450 approval of the insurance business transfer plan prior to the filing of an implementation  
451 order by the court, or, if after the filing of an implementation order, the Commissioner may  
452 suspend or revoke the assuming insurer's certificate of authority to transact insurance  
453 business in this state."

454 **SECTION 4.**

455 This Act shall become effective upon its approval by the Governor or upon its becoming law  
456 without such approval.

457 **SECTION 5.**

458 All laws and parts of laws in conflict with this Act are repealed.