ASSUMPTION REINSURANCE MODEL ACT

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Section 1. Purpose

This Act provides for the regulation of the transfer and novation of contracts of insurance by way of assumption reinsurance. It defines assumption reinsurance and establishes notice and disclosure requirements which protect and define the rights and obligations of policyholders, regulators and the parties to assumption reinsurance agreements.

Section 2. Scope

A. This Act applies to any insurer authorized in this state which either assumes or transfers the obligations or risks, or both, on contracts of insurance pursuant to an assumption reinsurance agreement.

Drafting Note: Certain other transactions may result in a substantive assumption or transfer of obligations or risks, or both, under contracts of insurance. For example, some state statutes permit transactions in which affiliated insurers isolate certain obligations under existing insurance policies, in whole or in part, from other insurance operations (so-called "division statutes"). States desiring to assure

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(2) The substitution of one insurer for another upon the expiration of insurance coverage pursuant to statutory or contractual requirements and the issuance of a new contract of insurance by another insurer;

(3) The transfer of contracts of insurance pursuant to mergers or consolidations of two (2) or more insurers to the extent that those transactions are regulated by statute;

(4) Any insurer subject to a judicial order of liquidation or rehabilitation;

Drafting Note: This section is intended to apply to any similar proceedings under court order.

(5) Any reinsurance agreement or transaction to which a state insurance guaranty assnasst o Td(0DC 0(3)-2.9 6 (g)2.6 c -0.0ranw;
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If you accept this transfer, you should make all premium payments and claims submissions to [ABC

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