

[brackets] = necessary state-by-state replacements

[Keep Our Homes Insured Act] [State Insurance Withdrawal Restrictions Act]

§ 1. Short title.

This Act shall be known and may be cited as the “[Title] of 202_.”

§ 2. Definitions.

As used in this Act:

- (a) “[Commissioner]” means the [head/commissioner/superintendent/director] of [Department].
- (b) “Covered Insurer” means an insurance company authorized to conduct the business of property and casualty insurance in the State of [] that reports over 10 million dollars of direct property and casualty premiums written in the State of [] on its annual schedule “T” filing with the National Association of Insurance Commissioners.
- (c) “[Department]” means the [state financial/insurance regulator].
- (d) “State” or “the State” or “this State” refers to the State of [].
- (e) “Withdraw” means ceasing to transact insurance in the State of [], or discontinue the writing or renewal of one or more individual lines of insurance specified in the certificate of authority in the State of [].

§ 3. Statewide withdrawal restrictions.

(a) A Covered Insurer may surrender to the [Commissioner] its certificate of authority and thereafter withdraw only after the submission and approval of an informational filing submitted to the [Commissioner], which filing shall be subject to the following provisions:

- (1) The Covered Insurer shall send a notice to policyholders of the proposed

withdrawal no later than thirty (30) days following the submission of the informational filing to the [Commissioner], which shall state that the Covered Insurer intends to withdraw and has filed its intention to withdraw with the [Commissioner], the terms of the withdrawal, including the date of the proposed commencement of nonrenewal of policies, and the proposed duration of the withdrawal plan for the Covered Insurer's book of business;

(2) Nonrenewals shall commence no earlier than one calendar year (365 days) and ninety (90) days following the submission of the informational filing;

(3) The Covered Insurer shall send a notice of nonrenewal to every policyholder:

(i) No later than one calendar year (365 days) preceding the date of nonrenewal; and

(ii) A subsequent notice of nonrenewal ninety (90) days preceding the date of nonrenewal; and

(4) Nonrenewals shall be conducted in a manner applicable to all insureds on an equitable basis with respect to risk classification and territorial or other form of rating factor, and shall be effectuated at a uniform rate each month over a period of not less than three (3) calendar years commencing with the date established in subsection (a)(2) of this section.

(b) Upon receiving the informational filing provided for in subsection (a) of this section, the [Commissioner] shall:

(1) Within seven (7) days, publish the informational filing on the [Department's] website; and

(2) Within thirty (30) days, hold a public hearing, at which the Covered Insurer

and any members of the public may present testimony to determine if the withdrawal is justifiably required to protect the solvency of the Covered Insurer and would not be contrary to the public interest by disrupting the market or markets for said insurance.

(c) Within sixty (60) days of receiving the informational filing provided for in subsection (a) of this section, the [Commissioner] shall notify the Covered Insurer in writing whether the withdrawal plan has been approved, any conditions of approval, and any requested modifications. If the [Commissioner] concludes that the withdrawal is not justified to protect the solvency of the Covered Insurer or would be contrary to the public interest by disrupting the market or markets for said insurance, the [Commissioner] shall prohibit the withdrawal unless the Covered Insurer surrenders all certificates of authority held by the Covered Insurer or other companies within the same holding company system as the Covered Insurer in [State].

(d) Notwithstanding the provisions of subsections (a), (b), and (c) of this section, if the Covered Insurer finds a replacement admitted carrier or carriers for the business that will not be renewed as the result of the withdrawal either prior to or after the date of the informational filing, the Covered Insurer may apply to the [Commissioner] for approval to transfer the business to the replacement admitted carrier or carriers. If the [Commissioner] approves the replacement admitted carrier or carriers, notwithstanding the provisions of subsection (a) of this section, the notice of nonrenewal shall be in compliance with the time limits provided by law for that line of insurance, and the Covered Insurer shall offer every insured coverage with the replacement admitted carrier or carriers prior to the effective date of the nonrenewal. The [Commissioner] shall not

withhold approval of any admitted replacement carrier if that carrier is authorized to do business in the same line of business in [State] and has the financial and business capability to write and service the business being transferred to it by the withdrawing Covered Insurer. The [Commissioner] shall approve or disapprove the replacement admitted carrier or carriers within sixty (60) days of:

(1) The date of the filing by the withdrawing Covered Insurer requesting approval of a replacement admitted carrier or carriers; or

(2) The date of the filing by the replacement admitted carrier or carriers requesting to be a replacement admitted carrier;

whichever is later.

(e) The [Commissioner] may waive the requirements of subsection (a)(2) of this section, the one-year nonrenewal notice of subsection (a)(3) of this section, and the three (3) year minimum withdrawal period in subsection (a)(4) of this section if the [Commissioner] deems a waiver to be necessary to protect the solvency of the Covered Insurer making the informational filing or if the [Commissioner] deems the withdrawal to have a limited impact on the market.

(f) If a Covered Insurer fails to adhere to a withdrawal plan approved by the [Commissioner], or fails to comply with the process for withdrawal as outlined in this Act, the [Commissioner] shall require the Covered Insurer to surrender all certificates of authority held by the Covered Insurer or other companies within the same holding company system as the Covered Insurer in [State], ensuring compliance with all [State] laws and regulations governing surrender of certificates.