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Requirements for Insurance Companies Applying for a License to do Business in the State of Connecticut

Sec. 38a-41-1. Authority

The following regulations are adopted pursuant to section 38a-41 of the General Statutes of Connecticut as amended by section 7 of Public Act 81-101.
(Effective September 25, 1992)

Sec. 38a-41-2. Provisions of regulation

Applicants seeking a Certificate of Authority to do any insurance business in the state of Connecticut shall comply with the provisions of law and this regulation, provided the commissioner may waive the applicability of any section(s) or any portion thereof as to

(a) a survivor corporation resulting from the merger or reorganization of a company licensed in this state,

(b) a company domiciled in this state and

(c) a company which is an affiliate of an insurer licensed in this state, if he determines that particular requirements are unnecessary or the information to be filed is otherwise available.
(Effective September 25, 1992)

Sec. 38a-41-3. General qualifications

Any unlicensed insurance company seeking to solicit or market insurance products in this state is hereby declared subject to Sections 38a-41-1 to 38a-41-4, inclusive, of the Regulations of the Connecticut State Agencies. All companies desiring to become authorized to transact kinds of insurance permitted by title 38a of the Connecticut General Statutes shall submit an application as follows:

(1) **Capital and domiciliary licensure requirements.**

(A) The applicant shall file an application on the form prescribed by the insurance commissioner setting forth the lines of insurance which it desires to write. For each line of insurance the applicant proposes to write it shall demonstrate that it is possessed of adequate capital and/or surplus funds in a minimum amount as prescribed in title 38a of the Connecticut General Statutes.

(B) A determination of financial condition will be made regarding those companies which apply. In making this determination there shall be deducted from unassigned funds any non-qualifying assets or understatement in reserves or special deposits not held on account for all policyholders. The difference between market value and amortized value of investments in bonds may be taken into consideration and also the ratio of earned premiums to surplus as regards policyholders for non-life companies when the ratio exceeds 3:1, as well as any other ratios that are generally acceptable among regulators and the insurance industry.

(C) Applicant shall hold a valid Certificate of Authority from its state of domicile or jurisdiction which authorizes it to transact those kinds of insurance it proposes to transact in this state.

(2) **Historic business experience.**

(A) Applicant shall demonstrate an orderly pattern of growth in the company's marketing territories in the geographic region. The commissioner, upon assessment of the rate of growth of the company, its business persistency, supporting surplus resources, business acquisition costs, claims experience and investment policies shall make a determination concerning the adequacy of equity resources as related to the company's business expansion. Such determination, together with a review

of policyholder service arrangements relating to Connecticut residents, will be used to evaluate the company's potential to perform on policy obligations contracted within this state and its expertness in marketing and servicing its product lines.

(B) Applicant shall show that it writes those lines of business in its domiciliary jurisdiction or other license jurisdictions that it proposes to write in this state in sufficient volume as to demonstrate an expertise in marketing and servicing such products lines. This requirement may be waived regarding survivor corporations in the case of mergers or consolidations, or a company which is an affiliate of an insurer licensed in Connecticut if it is determined this requirement is unnecessary.

(3) **Specific filing requirements.**

Each insurance company shall file applications using the licensing requirements, forms and procedures as set forth in the Uniform Certificate of Authority Application (UCAA), and any supplemental forms promulgated pursuant to the UCAA published by the National Association of Insurance Commissioners, subject to any deviations of form and detail and additional filings as may be prescribed by the commissioner.

(Effective November 25, 1992; amended July 30, 1999, March 10, 2003)

Sec. 38a-41-4. Procedure

(1) As far as practicable, all applicants having been assigned a sequential order respecting their application will have their submission reviewed in that serial order.

(2) Applicants must keep filing current. Any amendments to constituent documents on file must be timely dated.

(3) Any applications whose application is rejected as a result of a review who reapplies will be assigned a new sequential order respecting its application as provided above.

(4) Any applicant whose application is rejected is entitled to a hearing.

(5) Any applicant whose application has been rejected other than as provided in subdivision (6) of this section or who has withdrawn its application may not reapply for a certificate of authority until a minimum of two years has expired. For good cause shown, such waiting period may be waived by the commissioner.

(6) Any applicant after written notice by the insurance department that its application is incomplete or has not been made current shall have its application rejected if the deficiency in the application is not corrected within 30 days of notification.

(Effective November 25, 1992; amended March 10, 2003)

Sec. 38a-41-5. Effective date

These regulations shall take effect on filing with the secretary of state as provided in section 4-172 of the General Statutes.

(Effective September 25, 1992)

Sec. 38a-41-6. Severability

If any section or portion of a section of these regulations or the applicability thereof to any person or circumstances is held invalid by a court, the remainder of the regulations, or the applicability of such provision to other persons or circumstances, shall not be affected thereby.

(Effective September 25, 1992)