

31A-14-208 Requirements for foreign reciprocals.

- (1) No foreign reciprocal may be authorized to do business in this state unless:
 - (a) under the laws of its domicile, the provisions of its power of attorney, or otherwise, it can sue and be sued in its own name;
 - (b) the assets resulting from the exchange of insurance contracts can be reached by its creditors; and
 - (c) either:
 - (i) if it issues only nonassessable policies, it meets all the financial requirements for a mutual corporation in similar circumstances, including unallocated surplus that is at least as great as the level required under Chapter 17, Part 6, Risk-Based Capital; or
 - (ii) if it issues any assessable policies, it meets all the requirements for a mutual corporation issuing assessable policies in similar circumstances and its subscribers are liable to the exchange to the limit of their assessability without regard to the validity or collectibility of any assessment levied against other subscribers.
- (2) Any reciprocal admitted to Utah shall have a name that includes the word "reciprocal," "interinsurer," "interinsurance exchange," "underwriters," or "association." The name may not suggest a corporate entity.
- (3) The reciprocal may not be authorized to do business in Utah unless the contract with its attorney in fact satisfies the requirements for a management contract under Section 31A-14-207.
- (4) To the extent they are consistent with the nature of a reciprocal, the provisions of Chapter 5, Domestic Stock and Mutual Insurance Corporations, that are made applicable to foreign mutual corporations by Section 31A-14-205 apply to foreign reciprocals, and the provisions and requirements applicable to principal officers of corporations apply to the attorneys in fact of reciprocal insurers.
- (5) Except for life insurance and annuities, an authorized reciprocal may transact any kind of insurance, including reinsurance subject to Section 31A-20-107.

Amended by Chapter 9, 1996 Special Session 2

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