

Effective 5/13/2014

31A-4-115 Plan of orderly withdrawal.

- (1)
 - (a) When an insurer intends to withdraw from writing a line of insurance in this state or to reduce its total annual premium volume by 75% or more, the insurer shall file with the commissioner a plan of orderly withdrawal.
 - (b) For purposes of this section, a discontinuance of a health benefit plan pursuant to one of the following provisions is a withdrawal from a line of insurance:
 - (i) Subsection 31A-30-107(3)(e); or
 - (ii) Subsection 31A-30-107.1(3)(e).
- (2) An insurer's plan of orderly withdrawal shall:
 - (a) indicate the date the insurer intends to begin and complete its withdrawal plan; and
 - (b) include provisions for:
 - (i) meeting the insurer's contractual obligations;
 - (ii) providing services to its Utah policyholders and claimants;
 - (iii) meeting applicable statutory obligations; and
 - (iv) the payment of a withdrawal fee of \$50,000 to the department if the insurer's line of business is not assumed or placed with another insurer approved by the commissioner.
- (3) The commissioner shall approve a plan of orderly withdrawal if the plan of orderly withdrawal adequately demonstrates that the insurer will:
 - (a) protect the interests of the people of the state;
 - (b) meet the insurer's contractual obligations;
 - (c) provide service to the insurer's Utah policyholders and claimants; and
 - (d) meet applicable statutory obligations.
- (4) Section 31A-2-302 governs the commissioner's approval or disapproval of a plan for orderly withdrawal.
- (5) The commissioner may require an insurer to increase the deposit maintained in accordance with Section 31A-4-105 or Section 31A-4-105.5 and place the deposit in trust in the name of the commissioner upon finding, after an adjudicative proceeding that:
 - (a) there is reasonable cause to conclude that the interests of the people of the state are best served by such action; and
 - (b) the insurer:
 - (i) has filed a plan of orderly withdrawal; or
 - (ii) intends to:
 - (A) withdraw from writing a line of insurance in this state; or
 - (B) reduce the insurer's total annual premium volume by 75% or more.
- (6) An insurer is subject to the civil penalties under Section 31A-2-308, if the insurer:
 - (a) withdraws from writing insurance in this state without receiving the commissioner's approval of a plan of orderly withdrawal; or
 - (b) reduces its total annual premium volume by 75% or more in any year without receiving the commissioner's approval of a plan of orderly withdrawal.
- (7) An insurer that withdraws from writing all lines of insurance in this state may not resume writing insurance in this state for five years unless the commissioner finds that the prohibition should be waived because the waiver is:
 - (a) in the public interest to promote competition; or
 - (b) to resolve inequity in the marketplace.
- (8) The commissioner shall adopt rules necessary to implement this section.

Amended by Chapter 290, 2014 General Session
Amended by Chapter 300, 2014 General Session
Amended by Chapter 425, 2014 General Session