

31A-5-212 Certificate of authority.

- (1) The corporation may apply for a certificate of authority at any time prior to the expiration of its organization permit. The application shall include a detailed statement by a principal officer about any material changes that have taken place or are likely to take place in the facts on which the issuance of the organization permit was based, and if any material changes are proposed in the business plan, the information about the changes that would be required if an organization permit were being applied for.
- (2)
 - (a) The commissioner shall issue a certificate of authority if the commissioner finds:
 - (i) enough cash or property authorized under Subsection 31A-5-207(1)(a) or (2)(a) has been received to satisfy the requirements of Section 31A-5-211;
 - (ii) there is no basis for revoking the organization permit under Subsection 31A-5-209(2); and
 - (iii) all other applicable requirements of the law have been met.
 - (b) The certificate of authority shall specify any limits placed on the insurance business the corporation may carry on and may, within the powers given the commissioner under this title, specify limits on the corporation's methods of operation.
- (3) After the issuance of the certificate of authority the following action shall take place:
 - (a) The board shall authorize and direct the issuance of certificates for shares, bonds, or notes subscribed to under the organization permit, and of insurance policies upon qualifying applications obtained under the organization permit.
 - (b) The commissioner shall authorize the release to the corporation of all funds held in escrow under Section 31A-5-208.
- (4)
 - (a) A corporation may apply to the commissioner for a new or amended certificate of authority altering limits on its business or methods of operation. The application shall contain or be accompanied by information in Subsection 31A-5-204(2) as the commissioner reasonably requires. The commissioner shall issue the new certificate if the commissioner finds:
 - (i) the corporation's capital and surplus satisfy the requirements of Section 31A-5-211 as to the operations proposed under the new certificate of authority; and
 - (ii) the proposed business would not be contrary to law or to the interests of insureds or the public.
 - (b) If the commissioner issues an order under Chapter 27, Part 5, Administrative Actions, against a corporation, the commissioner may also revoke the corporation's certificate and issue a new one with any limitation the commissioner considers necessary.
- (5) Except as to Subsection (4), this section does not apply to stock or mutual insurance corporations already in existence on July 1, 1986.

Amended by Chapter 309, 2007 General Session