

1 **DFR Proposal for Senate Finance**

2 The Department of Financial Regulation proposes to add the following new
3 sections to S.88, Secs. 21–30, concerning captive insurance, and to renumber
4 the existing Sec. 21 as Sec. 31, as follows:

5 Sec. 21. 8 V.S.A. § 6002 is amended to read:

6 § 6002. LICENSING; AUTHORITY

7 * * *

8 (b) No captive insurance company shall do any insurance business in this
9 State unless:

10 (1) it first obtains from the Commissioner a license authorizing it to do
11 insurance business in this State;

12 (2) its board of directors or committee of managers or, in the case of a
13 reciprocal insurer, its subscribers' advisory committee holds at least one
14 meeting each year in this State;

15 (3) it maintains its principal place of business in this State; and

16 (4) it appoints a registered agent to accept service of process and to
17 otherwise act on its behalf in this State; provided that whenever such registered
18 agent cannot with reasonable diligence be found at the registered office of the
19 captive insurance company, the ~~Secretary of State~~ Commissioner shall be an
20 agent of such captive insurance company upon whom any process, notice, or
21 demand may be served.

1 (c)(1) Before receiving a license, a captive insurance company shall:

2 (A) File with the Commissioner a ~~certified~~ copy of its organizational
3 documents, ~~a statement under oath of its president and secretary showing its~~
4 ~~financial condition~~, and any other statements or documents required by the
5 Commissioner.

6 (B) Submit to the Commissioner for approval a description of the
7 coverages, deductibles, coverage limits, and rates, together with such
8 additional information as the Commissioner may reasonably require. In the
9 event of any subsequent material change in any item in such description, the
10 captive insurance company shall submit to the Commissioner for approval an
11 appropriate revision and shall not offer any additional kinds of insurance until
12 a revision of such description is approved by the Commissioner. The captive
13 insurance company shall inform the Commissioner of any material change in
14 rates within 30 days of the adoption of such change.

15 (2) Each applicant captive insurance company shall also file with the
16 Commissioner evidence of the following:

17 (A) the amount and liquidity of its assets relative to the risks to be
18 assumed;

19 (B) the adequacy of the expertise, experience, and character of the
20 person or persons who will manage it;

21 (C) the overall soundness of its plan of operation;

1 (D) the adequacy of the loss prevention programs of its insureds; and

2 (E) such other factors deemed relevant by the Commissioner in
3 ascertaining whether the proposed captive insurance company will be able to
4 meet its policy obligations.

5 (3) Information submitted pursuant to this subsection shall be and
6 remain confidential, and may not be made public by the Commissioner or an
7 employee or agent of the Commissioner without the written consent of the
8 company, except that:

9 (A) such information may be discoverable by a party in a civil action
10 or contested case to which the captive insurance company that submitted such
11 information is a party, upon a showing by the party seeking to discover such
12 information that:

13 (i) the information sought is relevant to and necessary for the
14 furtherance of such action or case;

15 (ii) the information sought is unavailable from other
16 nonconfidential sources; and

17 (iii) a subpoena issued by a judicial or administrative officer of
18 competent jurisdiction has been submitted to the Commissioner; provided,
19 however, that the provisions of this subdivision (3) shall not apply to any risk
20 retention group; and

1 (B) the Commissioner may, in the Commissioner’s discretion,
2 disclose such information to a public officer having jurisdiction over the
3 regulation of insurance in another state, provided that:

4 (i) such public official shall agree in writing to maintain the
5 confidentiality of such information; and

6 (ii) the laws of the state in which such public official serves
7 require such information to be and to remain confidential.

8 * * *

9 (e) If the Commissioner is satisfied that the documents and statements that
10 such captive insurance company has filed comply with the provisions of this
11 chapter, and that such captive insurance company has been duly organized, the
12 Commissioner may grant a license authorizing it to do insurance business in
13 this State until April 1 thereafter, which license may be renewed.

14 Sec. 22. 8 V.S.A. § 6004 is amended to read:

15 § 6004. MINIMUM CAPITAL AND SURPLUS; LETTER OF CREDIT

16 (a) ~~No captive insurance company shall be issued a license unless it~~ Prior
17 to issuing any policies of insurance or entering into any contracts of
18 reinsurance, each captive insurance company shall possess and thereafter
19 maintain unimpaired paid-in capital and surplus of:

20 (1) in the case of a pure captive insurance company, not less than
21 \$250,000.00;

1 (2) in the case of an association captive insurance company, not less
2 than \$500,000.00;

3 (3) in the case of an industrial insured captive insurance company, not
4 less than \$500,000.00;

5 (4) in the case of an agency captive insurance company, not less than
6 \$500,000.00;

7 (5) in the case of a risk retention group, not less than \$1,000,000.00; and

8 (6) in the case of a sponsored captive insurance company, not less than
9 \$100,000.00.

10 (b) The Commissioner may prescribe additional capital and surplus based
11 upon the type, volume, and nature of insurance business transacted.

12 (c) Capital and surplus may be in the form of cash, marketable securities, a
13 trust approved by the Commissioner and of which the Commissioner is the
14 sole beneficiary, or an irrevocable letter of credit issued by a bank approved by
15 the Commissioner. The Commissioner may reduce or waive the capital and
16 surplus amounts required by this section pursuant to a plan of dissolution for
17 the company approved by the Commissioner.

18 (d) Within 30 days after commencing business, each captive insurance
19 company shall file with the Commissioner a statement under oath of its
20 president and secretary certifying that the captive insurance company

1 possessed the requisite unimpaired paid-in capital and surplus prior to
2 commencing business.

3 Sec. 23. 8 V.S.A. § 6007 is amended to read:

4 § 6007. REPORTS AND STATEMENTS

5 (a) Captive insurance companies shall not be required to make any annual
6 report except as provided in this chapter.

7 (b) Prior to March 1 of each year, and prior to March 15 of each year in the
8 case of pure captive insurance companies, association captive insurance
9 companies, sponsored captive insurance companies, ~~or~~ industrial insured
10 captive insurance companies, or agency captive insurance companies, each
11 captive insurance company shall submit to the Commissioner a report of its
12 financial condition, verified by oath of two of its executive officers. Each
13 captive insurance company shall report using generally accepted accounting
14 principles, statutory accounting principles, or international financial reporting
15 standards unless the Commissioner requires, approves, or accepts the use of
16 any other comprehensive basis of accounting, in each case with any
17 appropriate or necessary modifications or adaptations thereof required or
18 approved or accepted by the Commissioner for the type of insurance and kinds
19 of insurers to be reported upon, and as supplemented by additional information
20 required by the Commissioner. As used in this section, statutory accounting
21 principles shall mean the accounting principles codified in the NAIC

1 Accounting Practices and Procedures Manual. Upon application for
2 admission, a captive insurance company shall select, with explanation, an
3 accounting method for reporting. Any change in a captive insurance
4 company's accounting method shall require prior approval. Except as
5 otherwise provided, each risk retention group shall file its report in the form
6 required by subsection 3561(a) of this title, and each risk retention group shall
7 comply with the requirements set forth in section 3569 of this title. The
8 Commissioner shall by rule propose the forms in which pure captive insurance
9 companies, association captive insurance companies, sponsored captive
10 insurance companies, and industrial insured captive insurance companies shall
11 report. Subdivision 6002(c)(3) of this title shall apply to each report filed
12 pursuant to this section, except that such subdivision shall not apply to reports
13 filed by risk retention groups.

14 (c) Any pure captive insurance company, association captive insurance
15 company, sponsored captive insurance company, ~~or~~ industrial insured captive
16 insurance company, or agency captive insurance company may make written
17 application for filing the required report on a fiscal year-end. If an alternative
18 reporting date is granted:

- 19 (1) the annual report is due 75 days after the fiscal year-end; and
20 (2) in order to provide sufficient detail to support the premium tax
21 return, the pure captive insurance company, association captive insurance

1 company, sponsored captive insurance company, or industrial insured captive
2 insurance company shall file prior to March 15 of each year for each calendar
3 year-end, pages 1, 2, 3, and 5 of the “Vermont Captive Insurance Company
4 Annual Report - Short Form” verified by oath of two of its executive officers.

5 Sec. 24. 8 V.S.A. § 6034c is amended to read:

6 § 6034c. ~~PROTECTED CELL CONVERSION INTO AN INCORPORATED~~
7 ~~PROTECTED CELL~~

8 (a)(1) Subject to the prior written approval of the Commissioner, on
9 application of the sponsor and with the prior consent of each participant of the
10 affected protected ~~cell~~ cells or as otherwise permitted pursuant to a
11 participation agreement and the consent of each affected incorporated
12 protected cell, a sponsored captive insurance company or a sponsored captive
13 insurance company licensed as a special purpose financial insurance company
14 may convert ~~a protected cell into an incorporated protected cell pursuant to the~~
15 ~~provisions of section 6034a of this title, without affecting the protected cell’s~~
16 ~~assets, rights, benefits, obligations, and liabilities~~ one or more protected cells
17 or incorporated protected cells into a:

18 (A) single protected cell or incorporated protected cell;

19 (B) new sponsored captive insurance company;

20 (C) new sponsored captive insurance company licensed as a special
21 purpose financial insurance company;

1 (D) new special purpose financial insurance company;

2 (E) new pure captive insurance company;

3 (F) new risk retention group;

4 (G) new agency captive insurance company;

5 (H) new industrial insured captive insurance company; or

6 (I) new association captive insurance company.

7 (2) Any such conversion shall be subject to section 6031 and
8 subchapters 1 and 4 of this chapter, as applicable, as well as to a plan or plans
9 of operation approved by the Commissioner, without affecting any protected
10 cell's or incorporated protected cell's assets, rights, benefits, obligations, and
11 liabilities.

12 (b) Any such conversion shall be deemed for all purposes to be a
13 continuation of ~~the~~ each such protected cell's or incorporated protected cell's
14 existence together with all of its assets, rights, benefits, obligations, and
15 liabilities, as ~~an~~ a new protected cell or incorporated protected cell ~~of the,~~ a
16 licensed sponsored captive insurance company ~~or,~~ a sponsored captive
17 insurance company licensed as a special purpose financial insurance company,
18 a special purpose financial insurance company, a pure captive insurance
19 captive, a risk retention group, an industrial insured captive insurance
20 company, or an association captive insurance company, as applicable. Any
21 such conversion shall be deemed to occur without any transfer or assignment

1 of any such assets, rights, benefits, obligations, or liabilities and without the
2 creation of any reversionary interest in, or impairment of, any such assets,
3 rights, benefits, obligations, and liabilities.

4 (c) Any such conversion shall not be construed to limit any rights or
5 protections applicable to any converted protected cell or incorporated protected
6 cell and such sponsored captive insurance company or sponsored captive
7 insurance company licensed as a special purpose financial insurance company
8 under this subchapter or under subchapter 4 of this chapter, as applicable, that
9 existed immediately prior to the date of any such conversion.

10 (d)(1) Any protected cell converting into an incorporated protected cell
11 pursuant to this section, or converting into a new captive insurance company or
12 risk retention group pursuant to this section, shall perform such conversion in
13 accordance with:

14 (A) the provisions of 11A V.S.A. chapter 11 if the converted entity is
15 to be a corporation;

16 (B) the provisions of 11 V.S.A. chapter 25, subchapter 10 if the
17 converted entity is to be a limited liability company; or

18 (C) the provisions applicable to any other type of entity permissible
19 under Vermont law if the converted entity is to be such an entity.

20 (2) As used in this subdivision, a protected cell that is not an
21 incorporated protected cell shall be considered an “organization” as that term is

1 defined in 11A V.S.A. § 11.01 and 11 V.S.A. § 4141; an “other insurer” as that
2 term is defined in 8 V.S.A. § 6020; and an “entity” as that term is defined in
3 11C V.S.A. § 102.

4 Sec. 25. REPEAL

5 8 V.S.A. § 6034e is repealed.

6 Sec. 26. 8 V.S.A. § 6006(j) is amended to read:

7 (j) The provisions of chapter 101, subchapters 3 and 3A of this title,
8 pertaining to mergers, consolidations, conversions, mutualizations,
9 redomestications, and mutual holding companies, shall apply in determining
10 the procedures to be followed by captive insurance companies in carrying out
11 any of the transactions described therein, except that:

12 (1) If the shareholders, members, or policyholders of the captive
13 insurance company have unanimously approved of the merger, the procedures
14 set forth in section 6006a of this title shall apply.

15 (2) The Commissioner may, upon request of an insurer party to a merger
16 authorized under this subsection, waive the requirement of subdivision 3424(6)
17 of this title.

18 ~~(2)~~(3) The Commissioner may waive the requirements for public notice
19 and hearing or, in accordance with rules ~~which~~ that the Commissioner may
20 adopt addressing categories of transactions, modify the requirements for public
21 notice and hearing. If a notice of public hearing is required, but no one

1 requests a hearing ten days before the day set for the hearing, then the
2 Commissioner may cancel the hearing.

3 ~~(3)~~(4) The provisions of subsections 3423(f) and (h) of this title shall not
4 apply, and the Commissioner may waive or modify the requirement of
5 subdivision 3423(b)(4) of this title, with respect to market value of a converted
6 company as necessary or desirable to reflect applicable restrictions on
7 ownership of companies formed under this chapter.

8 ~~(4)~~(5) An alien insurer may be a party to a merger authorized under this
9 subsection; provided that the requirements for a merger between a captive
10 insurance company and a foreign insurer under section 3431 of this title shall
11 apply to a merger between a captive insurance company and an alien insurer
12 under this subsection. Such alien insurer shall be treated as a foreign insurer
13 under section 3431 and such other jurisdictions shall be the equivalent of a
14 state for purposes of section 3431.

15 ~~(5)~~(6) The Commissioner may issue a certificate of general good to
16 permit the formation of a captive insurance company that is established for the
17 purpose of consolidating or merging with or assuming existing insurance or
18 reinsurance business from an existing licensed captive insurance company.
19 The Commissioner may, upon request of such newly formed captive insurance
20 company, waive or modify the requirements of subdivisions 6002(c)(1)(B) and
21 (2) of this title.

1 ~~(6)~~(7) The Commissioner may waive or modify application of the
2 provisions of chapter 132 and chapter 101, subchapters 3 and 3A of this title
3 and the provisions of Titles 11, 11A, and 11B in order to permit mergers of a
4 non-insurer subsidiary of a captive insurance company with and into the
5 captive insurance company or another of its subsidiaries without approval of
6 the shareholders, members, or subscribers of such captive insurance company
7 and without making available to the shareholders, members, or subscribers
8 dissenters' rights otherwise made available in such a merger; provided,
9 however, that the board of directors, managers, or subscribers' advisory
10 committee of each of the merging entities shall approve such merger. The
11 Commissioner may condition any such waiver or modification upon a good
12 faith effort by the captive insurance company to provide notice of the merger
13 to its shareholders, members, or subscribers.

14 Sec. 27. 8 V.S.A. § 6006a is added to read:

15 § 6006a. MERGERS

16 (a) Any captive insurance company meeting the qualifications set forth in
17 subdivision 6006(j)(1) of this title may merge with any other insurer, whether
18 licensed in this State or elsewhere, in the following manner:

19 (1) The board of directors of each insurer shall, by a resolution adopted
20 by a majority vote of the members of such board, approve a joint agreement of
21 merger setting forth:

1 (A) the names of the insurers proposed to merge, and the name of the
2 insurer into which they propose to merge, which is hereafter designated as the
3 surviving company;

4 (B) the terms and conditions of the proposed merger and the mode of
5 carrying the same into effect;

6 (C) the manner and basis of converting the ownership interests, if
7 applicable, in other than the surviving insurer into ownership interests or other
8 consideration, securities, or obligations of the surviving insurer;

9 (D) a restatement of such provisions of the articles of incorporation
10 of the surviving insurer as may be deemed necessary or advisable to give effect
11 to the proposed merger; and

12 (E) any other provisions with respect to the proposed merger as are
13 deemed necessary or desirable.

14 (2) The resolution of the board of directors of each insurer approving the
15 agreement shall direct that the agreement be submitted to a vote of the
16 shareholders, members, or policyholders, as the case may be, of each insurer
17 entitled to vote in respect thereof at a designated meeting thereof, or via
18 unanimous written consent of such shareholders, members, or policyholders in
19 lieu of a meeting. Notice of the meeting shall be given as provided in the
20 bylaws, charter, or articles of association, or other governance document, as

1 the case may be, of each insurer and shall specifically reflect the agreement as
2 a matter to be considered at the meeting.

3 (3) The agreement of merger so approved shall be submitted to a vote of
4 the shareholders, members, or policyholders, as the case may be, of each
5 insurer entitled to vote in respect thereof at the meeting directed by the
6 resolution of the board of directors of such company approving the agreement,
7 and the agreement shall be unanimously adopted by the shareholders,
8 members, or policyholders, as the case may be.

9 (4) Following the adoption of the agreement by any insurer, articles of
10 merger shall be adopted in the following manner:

11 (A) Upon the execution of the agreement of merger by all of the
12 insurers parties thereto, there shall be executed and filed, in the manner
13 hereafter provided, articles of merger setting forth the agreement of merger, the
14 signatures of the several insurers parties thereto, the manner of its adoption,
15 and the vote by which adopted by each insurer.

16 (B) The articles of merger shall be signed on behalf of each insurer
17 by a duly authorized officer, in such multiple copies as shall be required to
18 enable the insurers to comply with the provisions of this subchapter with
19 respect to filing and recording the articles of merger, and shall then be
20 presented to the Commissioner.

1 (C) The Commissioner shall approve the articles of merger if he or
2 she finds that the merger will promote the general good of the State in
3 conformity with those standards set forth in section 3305 of this title. If he or
4 she approves the articles of merger, he or she shall issue a certificate of
5 approval of merger.

6 (5) The insurer shall file the articles of merger, accompanied by the
7 agreement of merger and the certificate of approval of merger, with the
8 Secretary of State and pay all fees as required by law. If the Secretary of State
9 finds that they conform to law, he or she shall issue a certificate of merger and
10 return it to the surviving insurer or its representatives. The merger shall take
11 effect upon the filing of articles of merger with the Secretary of State, unless a
12 later effective date is specified therein.

13 (6) The surviving insurer shall file a copy of the certificate of merger
14 from the Secretary of State with the Commissioner.

15 (b) When such merger or consolidation has been effected as provided in
16 this section:

17 (1) The several insurers parties to the agreement of merger shall be a
18 single captive insurance company that shall be the surviving insurer a party to
19 the agreement of merger into which it has been agreed the other insurers
20 parties to the agreement shall be merged, which surviving insurer shall survive
21 the merger.

1 (2) The separate existence of all of the insurers parties to the agreement
2 of merger, except the surviving captive insurance company, shall cease.

3 (3) The single captive insurance company shall have all of the rights,
4 privileges, immunities, and powers and shall be subject to all of the duties and
5 liabilities of a captive insurance company organized under this chapter.

6 (4) The single captive insurance company shall possess all the rights,
7 privileges, immunities, powers, and franchises of a public as well as of a
8 private nature of each of the insurers so merged; and all property, real,
9 personal, and mixed, and all debts due on whatever account, including
10 subscriptions to shares of capital stock, and all other choses in action and all
11 and every other interest, of or belonging to or due to each of the insurers so
12 merged shall be taken and deemed to be transferred to and vested in such
13 single captive insurance company without further act or deed; and the title to
14 any real estate, or any interest therein, under the laws of this State vested in
15 any such insurers shall not revert or be in any way impaired by reason of the
16 merger.

17 (5) The single captive insurance company shall be responsible and liable
18 for all the liabilities and obligations of each of the insurers so merged in the
19 same manner and to the same extent as if the single insurer had itself incurred
20 the same or contracted therefor; and any claim existing or action or proceeding
21 pending by or against any of the insurers may be prosecuted to judgment as if

1 the merger had not taken place. Neither the rights of creditors nor any liens
2 upon the property of any insurers shall be impaired by the merger, but such
3 liens shall be limited to the property upon which they were liens immediately
4 prior to the time of the merger unless otherwise provided in the agreement of
5 merger.

6 (6) The articles of association or other governing document of the
7 surviving captive insurance company shall be supplanted and superseded to the
8 extent, if any, that any provision or provisions of the articles are restated in the
9 agreement of merger as provided in subsection (a) of this section, and such
10 articles of association or other governing document shall be deemed to be
11 thereby and to that extent amended.

12 (c)(1) In the case of a merger between a domestic and a foreign or alien
13 insurer, the articles of merger shall be regarded as executed by the proper
14 officers of said foreign or alien insurer when such officers are duly authorized
15 to execute same through such action on the part of the directors, shareholders,
16 members, or policyholders, as the case may be, of said foreign or alien insurer
17 as may be required by the laws of the state where the same is incorporated, and
18 upon execution, the articles of merger shall be submitted to the Insurance
19 Commissioner or other officer at the head of the insurance department of the
20 jurisdiction where such foreign or alien insurer is domiciled. No merger shall
21 take effect until it has been approved by the insurance official of the

1 jurisdiction where the foreign or alien insurer is domiciled nor until a
2 certificate of his or her approval has been filed with the Commissioner,
3 provided that such submission to and approval by the proper official of the
4 other jurisdiction shall not be required unless the same are required by the laws
5 of the foreign or alien jurisdiction. Provided, further, that the domestic captive
6 insurance company involved in the merger shall not through anything
7 contained in this section be relieved of any of the procedural requirements
8 enumerated elsewhere in this section.

9 (2) A merger between a domestic and a foreign or alien captive
10 insurance company shall not take effect unless and until the surviving captive
11 insurance company, if such is a foreign or alien insurer, files with the
12 Commissioner a power of attorney appointing the Commissioner the attorney
13 for service of the foreign or alien insurer, upon whom all lawful process
14 against the insurers may be served. Said power of attorney shall be irrevocable
15 if the foreign or alien insurer has outstanding in this State any contract of
16 insurance, or other obligation whatsoever, and shall by its terms so provide.
17 Service upon the Commissioner shall be deemed sufficient service upon the
18 insurer.

19 Sec. 28. 8 V.S.A. § 6006b is added to read:

20 § 6006b. REDOMESTICATION

1 (a) Any foreign or alien insurer that qualifies for licensure as a captive
2 insurance company in this State may redomesticate to this State by complying
3 with all of the requirements of law relative to the organization and licensing of
4 a captive insurance company and by filing with the Secretary of State its
5 articles of association, charter, or other organization document, together with
6 appropriate amendments thereto adopted in accordance with the laws of this
7 State bringing such articles of association, charter, or other organizational
8 document into compliance with the laws of this State, along with a certificate
9 of general good issued by the Commissioner and a filing fee per section 3440
10 of this title. An insurer becoming a domestic captive insurance company
11 through this redomestication process shall pay to the Commissioner such fees
12 as would otherwise be payable by a captive insurance company organizing and
13 becoming licensed or transacting business in this State. The Commissioner
14 may issue a conditional license prior to the effective date of the
15 redomestication in order to facilitate the transaction and provide notice of
16 approval of the transaction to the outgoing jurisdiction. The domestic insurer
17 shall be entitled to the necessary or appropriate certificates and licenses to
18 continue its business and to transact business in this State and shall be subject
19 to the authority and jurisdiction of this State. No insurer redomesticating into
20 this State as a captive insurance company need merge, consolidate, transfer

1 assets, or otherwise engage in any other reorganization, other than as specified
2 in this section.

3 (b) Upon the approval of and compliance with such conditions as may be
4 imposed by the Commissioner, any captive insurance company may transfer its
5 domicile, in accordance with the laws thereof, to any other state or jurisdiction
6 and upon such a transfer shall cease to be a domestic captive insurance
7 company, and its corporate or other legal existence in this State shall cease
8 upon the filing of articles of redomestication with the Secretary of State, or
9 upon such later date if a delayed effective date is specified in the articles of
10 redomestication, accompanied by a certificate of approval of redomestication
11 issued by the Commissioner and proof of acceptance of the insurer by the
12 Secretary of State or analogous officer of the jurisdiction to which the captive
13 insurance company is redomesticating, and upon payment to the Secretary of
14 State of a filing fee per section 3438 of this title. Said articles of
15 redomestication shall contain, at a minimum, the following information:

16 (1) the name, organizational form, date of formation, and jurisdiction of
17 formation of the redomesticating entity;

18 (2) the jurisdiction to which the redomesticating entity will be
19 transferring its domicile and its name following the redomestication date;

20 (3) the registered office and agent of the redomesticating entity
21 following the redomestication date; and

1 (4) a statement that the redomestication has been approved by the
2 appropriate vote of the shareholders or other owners of the redomesticating
3 entity.

4 (c) Upon redomestication in accordance with this section, the foreign or
5 alien insurer shall become a captive insurance company organized under the
6 laws of this State and have all the rights, privileges, immunities, and powers,
7 and be subject to all applicable laws, duties, and liabilities, of domestic
8 insurers of the same type. Such captive insurance company shall possess all
9 rights that obtained prior to the redomestication to the extent permitted by the
10 laws of this State, and shall be responsible and liable for all the liabilities and
11 obligations that obtained prior to the redomestication. The certificate of
12 authority, agents, appointments and licenses, rates, and other items that the
13 Commissioner allows, in his or her discretion, that are in existence at the time
14 any insurer transfers its corporate domicile to this or any other state or
15 jurisdiction by redomestication pursuant to this section shall continue in full
16 force and effect upon such transfer. All outstanding policies of any
17 transferring insurer shall remain in full force and effect.

18 Sec. 29. 8 V.S.A. § 6053(1) is amended to read:

19 (1) Notice of operations and designation of ~~Secretary of State~~
20 Commissioner as agent. Before offering insurance in this State, a risk
21 retention group shall submit to the Commissioner:

1 (A) a statement identifying the state or states in which the risk
2 retention group is chartered and licensed as a liability insurance company,
3 charter date, its principal place of business, and such other information,
4 including information on its membership, as the Commissioner of this State
5 may require to verify that the risk retention group is qualified under
6 subdivision 6051(11) of this title;

7 (B) a copy of its plan of operations and feasibility study and revisions
8 of such plan or study submitted to the state in which the risk retention group is
9 chartered and licensed; provided, however, that the provision relating to the
10 submission of a plan of operation or feasibility study shall not apply with
11 respect to any line or classification of liability insurance which:

12 (i) was defined in the Product Liability Risk Retention Act of
13 1981 before October 27, 1986; and

14 (ii) was offered before such date by any risk retention group which
15 had been chartered and operating for not less than three years before such date;
16 and

17 (iii) the risk retention group shall submit a copy of any revision to
18 its plan of operation or feasibility study required by subsection 6052(b) of this
19 title at the time that such revision has become effective in its chartering state;
20 and

