

WAC 284-95-030 Definitions, applications, and procedures. (1)

"A transfer of insurance contracts" means a transaction in which a transferring company, as defined in subsection (3) of this section, transfers one or more insurance contracts, together with all or substantially all of the liabilities and obligations under any such insurance contracts, to an assuming company, as defined in subsection (4) of this section, so that the rights of policyowners under the contracts are directly affected. This includes a transfer of the type deceptively known as "assumption reinsurance." This regulation is not intended to apply to a case of true reinsurance, where an insurer obtains additional security for the original undertaking.

(2) "Consent to transfer," in the context of this regulation, means the active and affirmative consent of each policyowner, as defined in subsection (5) of this section. This consent must be in writing, signed by the policyowner. It will not be presumed. It must be made after sufficient notice and disclosure concerning the proposed transfer, and concerning both the transferring company and the assuming company, as more fully set forth in WAC 284-95-040 and 284-95-050. Where a group insurance contract is concerned, the consent required is that of the group policyowner. Where the holder of a certificate of group insurance meets the criteria set forth in subsection (5) of this section, then the certificate holder is the policyowner, for the purpose of obtaining consent.

(3) "Transferring company" means the insurance company, fraternal benefit society, health care service contractor, or health maintenance organization which proposes to transfer one or more insurance contracts, together with all or substantially all of the liabilities arising under any such insurance contract, to an assuming company.

(4) "Assuming company" means the insurance company, fraternal benefit society, health care service contractor, or health maintenance organization which proposes to acquire one or more insurance contracts, together with all or substantially all of the liabilities arising under any such insurance contracts or contracts, from a transferring company.

(5) "Policyowner" means any individual or entity which has the right to either agree or not agree to alter the terms of an insurance contract and includes any person issued a certificate under a group insurance contract if such contract vests in that person rights that the owner of the group contract may not terminate.

(6) "An insurance contract," for purposes of this regulation, includes a life or disability insurance policy, an annuity contract, and a contract issued by a health care service contractor or health maintenance organization.

[Statutory Authority: RCW 48.02.060 (3)(a), 48.01.030 and 48.30.010. WSR 91-23-064 (Order R 91-9), § 284-95-030, filed 11/18/91, effective 12/19/91.]