

§761. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1993, c. 603 (NEW).]

1. Assuming insurer. "Assuming insurer" means the insurer that acquires an insurance obligation or risk from the transferring insurer pursuant to an assumption reinsurance agreement.

[PL 1993, c. 603 (NEW).]

2. Assumption reinsurance agreement. "Assumption reinsurance agreement" means a contract that both:

A. Transfers insurance obligations or risks of existing or in-force contracts of insurance from a transferring insurer to an assuming insurer; and [PL 1993, c. 603 (NEW).]

B. Is intended to effect a novation of the transferred contract of insurance with the result that the assuming insurer becomes directly liable to the policyholders of the transferring insurer and the transferring insurer's insurance obligations or risks under the contracts are extinguished. [PL 1993, c. 603 (NEW).]

[PL 1993, c. 603 (NEW).]

3. Contract of insurance. "Contract of insurance" means a written agreement between an insurer and policyholder pursuant to which the insurer, in exchange for premium or other consideration, agrees to assume an obligation or risk of the policyholder or to make payments on behalf of, or to, the policyholder or its beneficiaries. Contract of insurance may include property, casualty, life, health, accident, surety, title and annuity business authorized to be written pursuant to the insurance laws of this State.

[PL 1993, c. 603 (NEW).]

4. Home service business. "Home service business" means insurance business on which premiums are collected on a weekly or monthly basis by an agent of the insurer.

[PL 1993, c. 603 (NEW).]

5. Notice of transfer. "Notice of transfer" means the written notice to policyholders required by section 764, subsection 1.

[PL 1993, c. 603 (NEW).]

6. Policyholder. "Policyholder" means an individual or entity that has the right to terminate or otherwise alter the terms of a contract of insurance. It includes a certificateholder whose certificate is in force on the proposed effective date of the assumption, if the certificateholder has the right to keep the certificate in force without change in benefit following termination of the group policy.

The right to keep the certificate in force referred to in this section does not include the right to elect individual coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, COBRA, of the Employee Retirement Income Security Act of 1974, as amended, 29 United States Code, Section 1161 to 1168.

[PL 1993, c. 603 (NEW).]

7. Transferring insurer. "Transferring insurer" means the insurer that transfers an insurance obligation risk to an assuming insurer pursuant to an assumption reinsurance agreement.

[PL 1993, c. 603 (NEW).]

SECTION HISTORY

PL 1993, c. 603 (NEW).

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