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INSURANCE CODE - INS

DIVISION 1. GENERAL RULES GOVERNING INSURANCE [100 - 1879.8] (Division 1 enacted by Stats. 1935, Ch. 145.)

PART 2. THE BUSINESS OF INSURANCE [680 - 1879.8] (Part 2 enacted by Stats. 1935, Ch. 145.)

CHAPTER 1. General Regulations [680 - 1113] (Chapter 1 enacted by Stats. 1935, Ch. 145.)

ARTICLE 15. Withdrawal of Insurers [1070 - 1076] (Article 15 enacted by Stats. 1935, Ch. 145.)

1070. Any insurer, upon payment of the fees and costs therefor and surrender to the commissioner of its certificate of authority, may apply to withdraw from this State. Such application shall be in writing, duly executed, accompanied by evidence of due authority for such execution, and properly acknowledged.

(Enacted by Stats. 1935, Ch. 145.)

1070.5. Whenever an admitted insurer fails to take any step necessary to maintain continuance of its certificate of authority, or whenever the certificate of authority admitting an insurer is canceled or revoked, or whenever an admitted insurer as an entity ceases doing an insurance business in this state for any reason, such insurer shall apply to withdraw as an insurer and shall withdraw as such insurer from this state pursuant to this article. Every certificate of authority hereafter granted is so granted subject to this withdrawal requirement. Acceptance of every such certificate of authority is an agreement by the accepting insurer that it will conform to the provisions of this article.

(Amended by Stats. 1965, Ch. 1191.)

1070.6. The withdrawal procedure and fees prescribed by this article shall not be required of a nonsurviving admitted constituent to a merger or consolidation into another admitted insurer in accordance with the applicable statutes and the commissioner's prior written consent given pursuant to subdivision (c) of Section 1011, provided the commissioner is satisfied by documents, authenticated so as to be admissible in evidence over objection, filed with him or her, that:

(a) The constituent has discharged all of its liabilities to residents of this state in the manner provided by Section 1071.5;

(b) There will be an admitted insurer directly available to the constituent's policyholders: (1) to obtain policy changes and endorsements, (2) to receive payment of premiums and refund unearned premiums, (3) to serve notice of claim, proof of loss, summons, process, and other papers, and (4) for purposes of suit;

(c) The constituent shall timely file with the commissioner appropriate financial statements reporting its insurance business done in this state during the calendar year of the merger or consolidation and all appropriate tax returns required by law for the period, and shall timely pay all taxes found to be due on account of the business; and

(d) The constituent has surrendered its current California certificate of authority to the commissioner for cancellation as of the effective date of the merger.

The withdrawal procedure and fees prescribed by this article shall not be required of an insurer that has been liquidated by a final order of a court of record of this or any sister state provided a certified copy of the order reciting the fact of liquidation and discharge of all obligations has been filed with the commissioner.

(Amended by Stats. 2013, Ch. 321, Sec. 11. (AB 1391) Effective January 1, 2014.)

1071. The commissioner shall publish such application for withdrawal, daily, for one week, in each of two daily newspapers of general circulation, one published in the city of San Francisco, and the other in the city of Sacramento. The expense of such publication shall be paid in advance by the insurer.

(Enacted by Stats. 1935, Ch. 145.)

1071.5. Every insurer which withdraws as an insurer, or is required to withdraw as an insurer, from this State shall, prior to such withdrawal, discharge its liabilities to residents of this State. In the case of its policies insuring residents of this State it shall cause the primary liabilities under such policies to be reinsured and assumed by another admitted insurer. In the case of such policies as are subject to cancellation by the insurer, it may cancel such policies pursuant to the terms thereof in lieu of such reinsurance and assumption.

(Added by Stats. 1945, Ch. 1041.)

1072. The commissioner shall make, or cause to be made by the insurance authority of the State where the insurer is organized, an examination of the books and records of the insurer. If, upon such examination, he finds that the insurer has no outstanding liabilities to residents of this State and no policies in favor of the residents of this State uncanceled or the primary liabilities under which have not been reinsured and assumed by another admitted insurer, as required by Section 1071.5, he shall cancel the insurer's certificates of authority, if unexpired, and he shall permit the insurer to withdraw. The commissioner may, in his discretion, waive any or all of the above requirements if, after such examination, he finds it to be in a solvent condition. The cost and expense of all such examinations shall be paid as prescribed in Section 736.

(Amended by Stats. 1947, Ch. 1008.)

1073. Whenever any insurer withdraws from business in this State, and whenever for any reason the commissioner revokes or cancels the certificate of authority admitting any insurer, the commissioner shall thereafter cause a notice of the revocation, cancellation or withdrawal to be published in one daily newspaper published in the city of San Francisco and one daily newspaper published in the city of Los Angeles. The expense of such publication shall be paid by the insurer.

(Enacted by Stats. 1935, Ch. 145.)

1074. Upon the failure of such insurer to pay the expense of such advertising within thirty days after the presentation of the bill therefor, the commissioner shall collect such fee from the surety in the bond furnished in accordance with the provisions of Article 12 of this chapter or out of securities furnished thereunder.

(Enacted by Stats. 1935, Ch. 145.)

1076. The withdrawing insurer shall pay to the commissioner a fee of one thousand four hundred ten dollars (\$1,410) for all services and expenses in connection with the withdrawal.

(Amended by Stats. 2017, Ch. 534, Sec. 19. (AB 1699) Effective January 1, 2018.)