

58058 Conditions Governing Discontinuance of Sales by the Issuer

Pursuant to the authority granted by Welfare and Institutions Code Section 22005(e) and Insurance Code Section 12921, the following shall apply:

(a)

No Partnership Long-Term Care Insurance Policy or Certificate shall be sold, transferred, or otherwise ceded to another Issuer without first having obtained approval from the Commissioner of the Department of Insurance.

(b)

The Commissioner of the Department of Insurance shall not approve any sale, transfer, or ceding of any Partnership Long-Term Care Insurance Policy or Certificate if such action would result in premium increases for either the transferred Policy or Certificate holders or the Partnership Policies or Certificates that were not transferred, unless the Commissioner determines such a sale, transfer, or ceding to be in the public interest. The provision does not apply to: (1) any reinsurance agreement or transaction in which the ceding Issuer continues to remain directly liable for its insurance obligations or risks under the contracts of insurance subject to the reinsurance agreement; and (2) the ceding Issuer remains responsible for complying with all requirements of this Chapter and those imposed by Insurance Code Sections 1070 et seq. and 1090 et seq.

(1)

any reinsurance agreement or transaction in which the ceding Issuer continues to remain directly liable for its insurance obligations or risks under the contracts of insurance subject to the reinsurance agreement; and

(2)

the ceding Issuer remains responsible for complying with all requirements of this Chapter and those imposed by Insurance Code Sections 1070 et seq. and 1090 et seq.

(c)

Self-funded Issuers not subject to compliance with the California Insurance Code are exempt from the requirements of this Section.