Government-Related Insurers Not to Be Authorized Act

Summary

The Government-Related Insurers Not to Be Authorized Act prohibits insurers from transacting insurance in this state if affiliated with the government. This act excludes the State Insurance Fund.

Model Legislation

Section 1. {Short Title} This act shall be known as the Government-Related Insurers Not to Be Authorized Act

Section 2. {Definitions} For purposes of this section "state government instrumentality" includes, but is not limited to:

(A) a public corporation or quasi-public corporation formed by an act of a state;

(B) an organization, exempt in whole or in part from federal income taxation;

(C) an organization whose governing board is appointed in whole or in part by an act of a foreign state, or that by law must include in its governing board a representative from state government;

(D) an organization created by an act of a state and whose operation is in furtherance of a state goal; and

(E) an insurer that must, by law, serve as an insurer of last resort in a state.

Section 3. {Prohibitions} Except for the State Insurance Fund or other insurer created by this state, no insurer shall be authorized to transact insurance in this state if:

(A) the insurer is, or is ultimately operated for or by a state government, state government agency or state government instrumentality; or

(B) a state government, state government agency or state government instrumentality has more than a de minimus ownership interest in the insurer.

Section 4. {Repealer Clause}

Section 5. {Effective Date}