STATE INSURANCE REGULATION pdf

1: Insurance Regulation: How Insurance is Regulated

state insurance department takes control of the company. Aggressively working with financially troubled companies is a critical part of the regulator's role.

In an economy where secure, good paying jobs are difficult to come by, insurance continues to employ thousands of people through company regional office positions as well as insurance agents and support personnel. Simply put, a rate is the price per unit of coverage. Rates vary according to how likely it is a claim will be filed and how much it will likely cost. For example, a homeowner living in a wildfire-prone area would pay a higher insurance rate than a homeowner living in a low risk area. Another example is a driver with traffic tickets will likely pay a higher rate for auto insurance than a driver with a clean record. How are insurance rates regulated? Insurance is regulated by the state. Guidelines states use to regulate rates: Rates must be adequate â€" a company must remain solvent and be able to pay out in the event of large or numerous claims. Rates must not be excessive â€" there must be enough on hand to pay out, but not so much that companies earn exorbitant profits. Rates must not be unfairly discriminatory â€" they must reflect differences in expected claims and expenses. The basic regulatory systems are: Competitive rating relies on marketplace forces to keep insurance rates consistent with underlying costs. The competitive rating law does not mean the regulator gives up oversight of insurance companies. Regulators maintain power to reject any rates they deem to be inadequate, excessive or unfairly discriminatory, and may require insurers to refund excessive rates to policyholders and pay fines if rates are not deemed appropriate. In prior approval states, rates must be filed with regulators who must then individually approve or disapprove the filing before it can go into effect. The trend is more states going to file and use and relying on competition between companies to keep rates reasonable. To illustrate, 38 states currently have some form of file and use for auto insurance while 13 have prior approval count includes District of Columbia. How is insurance regulated in Colorado? Over time this system has proven its ability to strike a balance between consumer protection and maintaining affordability and availability of insurance. Insurers must file rates with the Colorado Division of Insurance and the new rates become effective immediately or on a specific date. The Commissioner may disapprove rates at any time that are not in compliance with state laws. According to Colorado statute, the Insurance Commissioner is given broad powers to order that rates be corrected, discontinued, or modified and can also fine the insurer. The Commissioner is also given broad authority to suspend or revoke the license of insurers for violations of the insurance statutes. All rate filings must now be made electronically and are subject to the complex requirements of Regulation Under Regulation all rate filings are reviewed for "completeness" and then within thirty days of filing are reviewed for substantive compliance with the rating statute and Regulation It is only after this 30 day period that filed rates are used. What does this mean for Colorado consumers? This means consumers are paying what the market conditions dictate, rather than responding to the political and social climate or industry pressure. Colorado consumers are currently benefiting from favorable market conditions. Homeowners are paying stable rates in Colorado while other areas of the country are experiencing skyrocketing rates and lack of availability. Colorado drivers are taking advantage of double-digit rate decreases as companies have lowered rates consistently since For more information on national rate regulation trends, visit the Insurance Information Institute.

2: New York State Insurance Department Regulations by NYCRR Part Number

system of state-based insurance regulation in the U.S. The Purpose and Structure of Insurance Regulation The fundamental reason for government regulation of insurance is to protect American consumers.

Purpose[edit] Insurance is characterized as a business vested or affected with the public interest. Licensing and regulating insurance companies and others involved in the insurance industry; Monitoring and preserving the financial solvency of insurance companies; Regulating and standardizing insurance policies and products; Controlling market conduct and preventing unfair trade practices; and Regulating other aspects of the insurance industry. The first state commissioner of insurance was appointed in New Hampshire in and the state-based insurance regulatory system grew as quickly as the insurance industry itself. As the various state governments each developed its own set of insurance regulations, insurance companies with multi-state business were hampered by the inconsistency of the dissimilar rules and requirements, as well as localism by the state regulators. These companies and their stakeholders joined a growing movement for federal insurance regulation â€" but, considering the lack of any significant federal regulatory framework, this movement may have been more about avoiding regulation rather than actually promoting federal superiority. Virginia [8] that the issuance of a policy of insurance was not the transaction of commerce, and therefore beyond the scope of federal legislation. South-Eastern Underwriters Association , holding that insurance was subject to certain federal legislation such as the federal antitrust statute. The McCarran-Ferguson Act specifically provides that the regulation of the business of insurance by the state governments is in the public interest. Further, the Act states that no federal law should be construed to invalidate, impair or supersede any law enacted by any state government for the purpose of regulating the business of insurance, unless the federal law specifically relates to the business of insurance. Additionally, efforts such as the accreditation standards of the National Association of Insurance Commissioners, and other cooperative endeavors, have increased the uniformity of insurance regulation across the various states. Early federal laws passed included the National Flood Insurance Act of , and a Federal Crime Insurance Program was implemented which the Government Accountability Office recommended terminating in With a wave of solvency and capacity issues facing property and casualty insurers, the proposal was to establish an elective federal regulatory scheme that insurers could opt into from the traditional state system, somewhat analogous to the dual-charter regulation of banks. Although the optional federal chartering proposal was defeated in the s, it became the precursor for a modern debate over optional federal chartering in the last decade. From to , there were insurer bankruptcies. There was renewed discussion of federal insurance regulation, including new legislation for a dual state and federal system of insurance solvency regulation. However, as more and more states enacted versions of these model reforms into law, the pressure for federal reform of insurance regulation waned. An insurance regulatory attorney provides legal services and practical business solutions on a wide variety of administrative, corporate, insurance, transactional and regulatory issues. The practice of insurance regulatory law involves providing legal services and counseling on a wide variety of administrative, corporate, insurance, transactional and regulatory issues such as the following: The statute typically states that rates shall not be inadequate or excessive, as inadequate rates increase the risk of bankruptcy and excessive rates are regarded as unfair. A similar statute may prohibits "unfair discrimination" in rates, which is intended to prohibit discrimination which is not based upon a difference in risk.

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3: State-by-State Guides to Life Insurance Regulations

Insurance regulatory law is the body of statutory law, administrative regulations and jurisprudence that governs and regulates the insurance industry and those engaged in the business of insurance.

History of insurance The first insurance company in the United States underwrote fire insurance and was formed in Charleston, South Carolina , in Not only did his company warn against certain fire hazards, it refused to insure certain buildings where the risk of fire was too great, such as all wooden houses. Formal regulation of the insurance industry began in earnest when the first state commissioner of insurance was appointed in New Hampshire in In , the State of New York appointed its own commissioner of insurance and created a state insurance department to move towards more comprehensive regulation of insurance at the state level. Insurance companies were, in large part, prohibited from writing more than one line of insurance until laws began to permit multi-line charters in the s. From an industry dominated by small, local, single-line mutual companies and member societies, the business of insurance has grown increasingly towards multi-line, multi-state and even multi-national insurance conglomerates and holding companies. Insurance Regulatory Law State-based insurance regulatory system[edit] Historically, the insurance industry in the United States was regulated almost exclusively by the individual state governments. The first state commissioner of insurance was appointed in New Hampshire in and the state-based insurance regulatory system grew as quickly as the insurance industry itself. Stretching back as far as the Paul v. Virginia case in , challenges to the state-based insurance regulatory system have risen from various groups, both within and without the insurance industry. The state regulatory system has been described as cumbersome, redundant, confusing and costly. South-Eastern Underwriters Association that the business of insurance was subject to federal regulation under the Commerce Clause of the U. Further, the Act states that no federal law should be construed to invalidate, impair or supersede any law enacted by any state government for the purpose of regulating the business of insurance, unless the federal law specifically relates to the business of insurance. As more and more states enacted versions of these model reforms into law, the pressure for federal reform of insurance regulation waned. Each state decides whether to pass each NAIC model law or regulation, and each state may make changes in the enactment process, but the models are widely, albeit somewhat irregularly, adopted. The NAIC also acts at the national level to advance laws and policies supported by state insurance regulators. NAIC model acts and regulations provide some degree of uniformity between states, but these models do not have the force of law and have no effect unless they are adopted by a state. They are, however, used as guides by most states, and some states adopt them with little or no change. In many states, insurance is regulated through a cabinet-level "department" because of its economic importance. In other states, insurance is regulated through a "division" of a larger department of business regulation or financial services, on the grounds that elevating too many government agencies to departments leads to administrative chaos and the better option is to maintain a clear chain of command. Federal regulation of insurance[edit] Nevertheless, federal regulation has continued to encroach upon the state regulatory system. This OFC concept was to establish an elective federal regulatory scheme that insurers could opt into from the traditional state system, somewhat analogous to the dual-charter regulation of banks. Although the optional federal chartering proposal was defeated in the s, it became the precursor for a modern debate over optional federal chartering in the last decade. President Jimmy Carter attempted to create an "Office of Insurance Analysis" in the Treasury Department, but the idea was abandoned under industry pressure. The Dodd-Frank Act has significant implications for the insurance industry. The FIO is authorized to monitor all of the insurance industry and identify any gaps in the state-based regulatory system. The Dodd-Frank Act also establishes the Financial Stability Oversight Council FSOC , which is charged with monitoring the financial services markets, including the insurance industry, to identify potential risks to the financial stability of the United States. Insurers in the U. Or they may be "surplus", meaning that they are nonadmitted in a particular state but are willing to write coverage there. Although experienced insurance brokers are well aware of what risks an admitted insurer will not accept, they must document a "diligent effort" at actually shopping around a risk to several admitted insurers typically three, who will promptly reject it before applying for coverage with a surplus line insurer. In turn, brokers presented by clients with those risks can immediately "export" them to the out-of-state surplus market and apply directly to surplus line insurers without having to first document multiple attempts to present the risk to admitted insurers. By their very nature, export lists illustrate what U. For example, the California export list includes ambulance services, amusement parks , fireworks displays, moving a building , demolition , hot air balloons , product recalls , sawmills , security guards , and tattoo shops, as well as particular types of insurance like Employment Practices Liability and kidnap and ransom. However, for persons trying to obtain coverage for unusual risks, the choice is usually between a surplus line insurer or no coverage at all. One long-running issue with the surplus lines concept is that it makes less sense when applied to sophisticated insureds with many risks spread across multiple states. Congress enacted the Nonadmitted and Reinsurance Reform Act of in an attempt to clarify which state gets to regulate the sale of surplus lines insurance to such insureds, and to exempt certain elite categories of insurance purchasers from the normal requirement of a diligent effort to procure coverage from admitted insurers. Insurance groups[edit] Only the smallest insurers exist as a single corporation. Most major insurance companies actually exist as insurance groups. That is, they consist of holding companies which own several admitted and surplus insurers and sometimes a few excess insurers and reinsurers as well. There are dramatic variations from one insurance group to the next in terms of how its various business functions are divided up among its subsidiaries or outsourced to third party corporations altogether. All major insurance groups in the U. When the customer writes their check for the premium to "GEICO", the premium is actually deposited with one of those seven insurance companies the one that actually wrote their policy. Similarly, any claims against the policy are charged to the issuing company. Obviously, it is more difficult to operate an insurance group than a single insurance company, since employees must be painstakingly trained to observe corporate formalities so that courts will not treat the entities in the group as alter egos of each other. For example, all insurance policies and all claim-related documents must consistently reference the relevant company within the group, and the flows of premiums and claim payments must be carefully recorded against the books of the correct company. The advantage of the insurance group system is that a group has increased survivability over the long run than a single insurance company. If any one company in the group is hit with too many claims and fails, the company can be quietly placed into "runoff" in which it continues to exist only to process remaining claims and no longer writes new coverage but the rest of the group continues to operate. By way of contrast, when small insurers fail, they tend to do so in a rather wild and spectacular fashion, as was often the case during the economic cycles of the s and s. Sometimes the result may be a state-supervised takeover by which a state agency may have to assume part of their residual liabilities. Types[edit] A common typology of insurance in the United States is to divide the industry into life and health insurers, on the one hand, and property and casualty insurers on the other: Anyone with an insurable interest in the property should be listed on the policy. In such a case even the total destruction of any buildings would not affect the ability of the lender to be able to foreclose and recover the full amount of the loan. Home insurance in the United States may differ from other countries; for example, in Britain, subsidence and subsequent foundation failure is usually covered under an insurance policy. A homeowner would have had to purchase separate policies covering fire losses, theft, personal property, and the like. During the s policy forms were developed allowing the homeowner to purchase all the insurance they needed on one complete policy. However, these policies varied by insurance company, and were difficult to comprehend. These policies have been amended over the years.

4: Delaware Department of Insurance - State of Delaware

Insurance Regulations by NYCRR Part Number. Return to: main Regulations page | main Legal page The following table is organized by Chapters. Some Chapters have subchapters a.

5: Laws and Regulations

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The Office serves Floridians through its responsibilities for regulation, compliance and enforcement of statutes related to the business of insurance. The Office is also entrusted with the duty of carefully monitoring statewide industry markets.

6: Regulations & Guidance

state and federal regulation of insurance from a property and casualty perspective. Methods and Procedures A knowledge base on insurance regulation was developed by studying chapter eight of.

7: NJDOBI - Division of Insurance

Welcome to the California Department of Insurance (CDI) Laws and Regulations page. This page contains links to state of California insurance statutes and regulations as well as all other California statutes and regulations.

8: Insurance in the United States - Wikipedia

The California Department of Insurance (CDI) was created in as part of a national system of state-based insurance regulation. California is the largest insurance market in the United States and the sixth largest insurance market in the world.

9: www.enganchecubano.com : Insurance, Department of

Insurance Regulation. What is an insurance rate? Simply put, a rate is the price per unit of coverage. Rates vary according to how likely it is a claim will be filed and how much it will likely cost.

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Ellis Islands Famous Immigrants (Images of America: New Jersey) Alzheimers disease in a changing health care system The Wire in the Blood (A Dr. Tony Hill Carol Jordan Mystery) Canadas land forces Newfoundland in 1911 Wo unto them that call evil good and good evil The players in the dance of energy Shifra Steins day trips from San Antonio and Austin No woman no cry piano sheet M. Balamuralikrshna, splendour of swaras The drawing board: The temple-Im going there someday : Primary sharing time ideas Hug them and squeeze them for me Ice creams for Rosie The invisible kid and the intergalactic RV The dot and the line Stunt Kite Basics Stochastic rotations models Machine learning and ai books Necrotizing Fasciitis A Medical Dictionary, Bibliography, and Annotated Research Guide to Internet Refere Capron Genetic Counseling Facts Values and Nor Ms The shortest way to the kingdom. 9. Forestry in the Park 93 Living architecture: Islamic Indian. The Mystic Mid-Region Fundamentals of speech recognition by lawrence rabiner Into the wilderness dream Foreign fixed income investing Gang leader for a day part 4 American Higher Education Transformed, 1940-2005 Clyde Edgerton in the classroom Electrical engineering design and drawing book Save as ument is not searchable Blood Beneath His Boots Canoeing western waterways, the coastal States Irish parliamentary politics in the eighteenth century The lost trappers A world of islands Titanic (Graphic History (Graphic History) The Crown and The Pen Richard branson screw it let do it