



Texas Department of Insurance

Life/Health Division, Mail Code 106-1A

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Although every effort has been made to ensure the accuracy of the information contained in this document, all parties are advised to consult the Texas Insurance Code, the Texas Administrative Code and other applicable laws, regarding the extent and nature of their own requirements.

All dealings with the Texas Department of Insurance are governed and controlled solely by the Texas Insurance Code, the Texas Administrative Code and other applicable laws, and not by this document.

PRODUCT: ASSUMPTION/MERGER CERTIFICATES DOCUMENT: CHECKLIST

All references in this checklist to the Texas Administrative Code and the Texas Insurance Code are referred to as TAC and TIC, respectively.

This document describes current Texas Department of Insurance procedures for the filing of Assumption/Merger certificates.

Reinsurance Agreement Filed – Article 3.10, TIC

_____ Prior to approval of any Assumption or Merger Certificate, the Reinsurance Agreement (for Partial or Total Assumption or Articles of Mergers) must first be approved or accepted by the Financial Division and/or the Legal & Compliance Division, as applicable.

Filing Requirements – §1701.005, TIC and 28 TAC §§3.1 –3.8

_____ The company reinsuring and assuming business issued in Texas by another company (the ceding company) must file an endorsement or amendment (generally referred to as an Assumption/Merger Certificate) with the Life/Health Division. The Assumption/Merger Certificate must be filed with a form number sufficient to distinguish it from all other forms used by the assuming (reinsuring) company. The form number shall be located in the lower left-hand corner of the Assumption/Merger Certificate.

_____ A filing fee of \$100, as set forth in **28 TAC §7.1301(c)**, must be included with the submission of any Assumption/Merger Certificate.

Assumption/Merger Certificate Requirements – §1701.055(a)(2), TIC

_____ The Assumption/Merger Certificate shall contain the complete name of the ceding company and the assuming company, along with the home office address of the assuming company. Additionally, the Assumption/Merger Certificate shall make appropriate references to the policy and/or certificate as well as the policyholder and/or certificate holder.

_____ The Assumption/Merger Certificate shall contain one officer's (President or Vice President or Secretary) signature.

_____ The Assumption/Merger Certificate shall contain language referencing the endorsement is "made a part of" or "attached to" the policy/certificate.

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DOCUMENT: CHECKLIST**

Toll Free Number/Complaint Notice – 28 TAC §1.601

_____ The assuming company's **NOTICE OF TOLL-FREE TELEPHONE NUMBERS AND PROCEDURES FOR OBTAINING INFORMATION AND FILING COMPLAINTS** shall be attached to the Assumption/Merger Certificate.

Additional Information To Be Filed – 28 TAC §3.6(d)

_____ In conjunction with the submission (filing) of any Assumption/Merger Certificate, the following must be provided:

_____ A copy of the executed Reinsurance Agreement, Partial Reinsurance Agreement, or Articles of Merger.

For Total Assumptions/Mergers Only:

Suggestion 1

A certification, signed by an officer of the assuming company, stating that should the company cede a block of business assumed in the total/assumption merger the company will be able to provide a list of affected form numbers which were approved for use in Texas.

Suggestion 2

A certification, signed by an officer of the company, that should business assumed in the total assumption/merger be subsequently ceded in a partial assumption, the company will be able to provide to TDI a verifiable list of affected form numbers, which were approved for use in Texas.

For Partial Assumptions Only

_____ A list of the policy, certificate, rider and endorsement form numbers which were approved for use in Texas for the ceding company and which are being reinsured (assumed) by the assuming company. If the assuming company is not assuming all in-force business of a particular form number, there should be a clear and definite statement of the issue dates or a statement clarifying the assumed group(s) as well as the form numbers.

_____ A statement indicating whether the ceding company will continue to issue forms on form numbers which were assumed. If the ceding company will not continue to issue forms on those form numbers, a statement indicating the date the ceding company will stop issuance of the forms must be provided.

_____ A statement indicating whether the assuming company intends to issue new business on the forms being assumed. If so, the assuming company will have to file these forms under their company's name for approval with the Texas Department of Insurance. Please submit a letter of commitment (signed by an officer of the company) stating that it is understood that any assumed forms, which the assuming company intends to issue, must be filed and approved prior to use in this state.

_____ A letter of commitment (signed by an officer of the company) that all existing in-force policyholders and/or certificate holders will be sent a copy of the approved Assumption/Merger Certificate along with the Toll-Free Number/Complaint Notice, as mentioned previously, within 45 days of the approval date of the Assumption/Merger certificate.

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_____ If the Assumption/Merger Certificate is used in connection with companies licensed under Chapters 886, 881, 887 or 884 of the Texas Insurance Code, additional requirements may be applicable to the Assumption/Merger Certificate.