

**COMMONWEALTH OF PENNSYLVANIA
INSURANCE DEPARTMENT
BUREAU OF CONSUMER SERVICES**
1209 Strawberry Square
Harrisburg, PA 17120

Insurance Department Plan of Withdrawal/Transition

To protect the interest of the insurer's policyholders during the course of its withdrawal **(partial, complete, line of business or product)** of coverages from the marketplace, the Department has established the following requirements which must be addressed in the content of a formal application. The application must include the following: **(Note: Respond to only those items applicable to your line of business and transaction)**

1. A comprehensive statement describing the **type** of withdrawal and identifying the specific **reasons** for the decision to withdraw, including whether such decision is being effected in other jurisdictions.
2. A specific description of the **product and/or lines of coverage** from which the insurer seeks to withdraw and how a withdrawal from those lines will affect the insurer's writing of other coverages.
3. Disclosure of the **numbers of policyholders or groups and certificate holders** affected by the withdrawal from each product or line of coverage. Include a depiction of the **territorial location** of those affected. The insurer should also indicate if those affected are written through agents or directly.
4. A comprehensive description of all considerations and efforts made by the insurer to market the affected book of business, in whole or in part, to other insurers. If the insurer is successful in marketing the affected book of business, in whole or in part, to affiliated or non-affiliated insurers include the total number of affected insureds and **specific information regarding differences in coverage and rates**.
5. An assessment of prospective availability of replacement coverage in the voluntary market for those affected by the withdrawal. Such assessment must include the specific identification of potential open markets for insureds to seek replacement coverage.
6. An **accounting of the number and geographic location of licensed agents** affected by the withdrawal, the nature of the agency force (captive or independent or exclusive or nonexclusive), details on the contractual status of the agents at of the time the decision to withdraw was made by the company and details **on the impact of the withdrawal on existing agent or agency contracts**. To the extent possible, the accounting should also include the number of employees of the agency(s) affected.
7. A description of the number of company employees affected by the withdrawal and the nature and extent of the effects. Such description should particularly detail any impact on company personnel and operations domiciled within Pennsylvania.
8. The proposed time table(s) for commencing and completing the withdrawal. Such timeframe(s) should be specific to each line of coverage affected and must be in compliance with relevant Pennsylvania statutes and regulations.

Plan of Withdrawal
Page 2

9. A description of the process to be used by the insurer to notify the appropriate parties, e.g. agents, policyholders, employers, certificate holders of the termination of coverage for each line being withdrawn and offer of replacement coverage, if applicable. Such description should include dates on which the insurer intends to issue formal notices.

For Health Insurance Withdrawals: Please provide details on how the insurer intends to comply with the applicable HIPPA statutes. E.g. Section 2712 (C)(1) & (C)(2); Section 2741 (C)(1) & (C)(2); and Section 2742 (C)(1) & (C)(2).

10. Copies of the proposed notifications and forms of termination notices to be used to effect the withdrawal from each line of coverage or product.
11. A description of policyholder service procedures to be used during the course of withdrawal which at a minimum should include:
- . Procedures for accommodating changes to policies,
 - . Servicing complaints and claims,
 - . Establishment of a policyholder service hot line, and the designation of a contact person for Insurance Department access to resolve problems that arise during the withdrawal process.
12. A certification that all applicable Pennsylvania insurance laws and regulations will be adhered to during the withdrawal unless such law or regulation is specifically waived in advance by the Insurance Commissioner. This includes all statutory reporting requirements.
13. An outline of how all insurer obligations to affected residual market mechanisms will be formally resolved, if applicable.
14. An analysis of the short and long term financial impact that the withdrawal is projected to have on the insurer generally or on any other line(s) of coverage written by the insurer.
15. A commitment to the timely resolution of any violations of insurance laws, examinations pending or outstanding, or pending legal proceedings involving the Department. Such resolution, in all cases must be affected prior to the commencement of any withdrawal actions.
16. Certification to the Department that the insurer will not resume writing the line(s) of business or products affected by the withdrawal without the express prior approval of the Insurance Department or in accordance with the respective statute, if applicable.
17. An assessment of the effects or impact of the proposed withdrawal on the insurer's Certificate of Authority to write insurance in Pennsylvania, if applicable

Plan of Withdrawal
Page 3

18. A commitment to accept and adhere to any special financial or operational reporting requirements imposed by the Department as a condition to the withdrawal for the purpose of effectively monitoring the withdrawal.
19. A commitment to accept the Department's imposition of procedures which govern the surrendering or modification of the insurer's Certificate of Authority to accommodate or otherwise effect the withdrawal, if applicable
20. A commitment to fulfill any financial obligations related to assessments levied by a guaranty association during the period the company is authorized to write business in Pennsylvania, if applicable

The application to withdraw should be mailed, faxed or e-mailed to:

Carolyn M. Morris, Director
Bureau of Consumer Services
1209 Strawberry Square
Harrisburg, PA 17120

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