

SEASONING REQUIREMENTS FOR AUTHORITY TO TRANSACT BUSINESS

The date following each state indicates the last time information for the state was reviewed/ changed.

“✓” This information has been updated by the State Department of Insurance

STATE	CITATION	SEASONING REQUIREMENTS	CONDITIONS FOR WAIVER
AL (5/04)	§ 27-3-4	5 years	Wholly owned subsidiaries or merged companies are excluded from seasoning requirements, as well as companies that meet AL capital and surplus requirements.
AK (5/04)	§ 21.09.270	Retaliatory	No
AZ (5/04)	§ 20-230	Retaliatory	No
AR (5/07)	§ 23-63-202	3 years	Unless waived by the Insurance Commissioner, wholly owned subsidiaries or merged companies, where at least one of the companies has 3 years of operation are excluded from seasoning requirements.
CA (9/04)	Ins. § 716	3 years	If 51% or more of voting stock are owned by a reputable insurer or noninsurer admitted to California for at least 3 years; or a successor of a merger are excluded from seasoning requirements.
CO (5/04)	Reg. 2-1-7	3 years	Please see Colorado Regulation 2-1-7, Section 4.
CT (5/04)	Reg. § 38a-41-3; Department Policy	3 years	Business experience requirement may be waived for the survivor corporation in the case of a merger or consolidation.
DE (5/04)	Domestic/Foreign Insurers Bulletin No. 3	3 years	Commissioner may waive (1) if it is in the best interests of the citizens of the State and it can be proven that their interests are fully protected, or (2) if company is a subsidiary or affiliate company with substantially the same management of an admitted company, or (3) continuing corporation resulting from merger or consolidation.
DC (9/04)	Reg. 26 § 1001	2 years (life)	\$3 million capital and surplus; or company owned or controlled by a company licensed in DC for at least 3 years prior to application; or \$300,000 escrow for protection of policyholders.
FL (5/04)	§ 624.404	3 years	Has operated successfully and has capital and surplus of \$5 million; is the wholly owned subsidiary of an insurer which is an authorized insurer in this state; is the successor in interest through merger or consolidation of an authorized insurer; or provides a product or service not readily available to the consumers of this state.
GA (5/04)	§§ 33-3-2; 33-3-26	Retaliatory	The Commissioner may waive any retaliatory obligations, prohibitions, or restrictions that would prohibit entry into this state of any insurer domiciled in another state if the entry of such insurer would be expected to enhance competition in this state and would be in the best interests of the citizens of this state.

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HI (7/15)	§ 431:3-203 to 431:3-203.5	5 years	If an insurer is licensed under the laws of one of the 3 states accredited by the NAIC that are annually designated by the insurance commissioner.
ID (5/04)	§ 41-308	5 years	Director shall take prior 5 years' experience "into consideration", including the net profit or loss experienced over the previous 5 years.
IL (9/17)	215 ILCS 5/113	Contact the Department's Corporate Regulation Section regarding Expansion Applications	N/A
IN (5/04)	§ 27-1-20-12	Retaliatory	No
IA (5/04)	§ 505.14	3 years	Wholly owned subsidiaries of currently licensed insurance companies.
KS (1/15)	§ 40-209	3 years	Subsidiaries or merged companies or companies whose admission is determined by the commissioner to be in the best public interest are excluded from seasoning requirements. If applicable, this situation should be submitted to the Kansas Insurance Commissioner for <u>prior</u> approval.
KY (5/04)	§ 304.3-090	3 years	Wholly owned subsidiaries or merged companies or companies that provide a product or service not readily available to the consumer are excluded from seasoning requirements.
LA (9/11)	None	No statutory requirements.	N/A
ME (5/04)	Reg. 231(3)(E)(a)	Licensed for 3 years and writing requested lines of business in sufficient volume to demonstrate expertise	An unconditional financial guaranty may be considered in accordance with Reg. 231(3)(F)
MD (4/05)	COMAR §§ 31.04.05	2 years	Commissioner may waive requirements, if the Commissioner considers it in the public interest.

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<p>✓MA (5/04)</p>	<p>§ 175:153</p>	<p>3 years</p>	<p>The goal of the Division regarding “seasoning” is to protect the insurance buying residents of the Commonwealth. While there is a specific seasoning requirement for Life companies (MGL Chapter 175 §153) there are several references to seasoning that range from 1 year to 10 years for Property and Casualty. As such, we have the following rules that we use when addressing this issue:</p> <p>1.) Has the applicant company been writing the line (s) of insurance requested in their state of domicile for at least three years?</p> <p align="center">Or</p> <p>2.) Has the applicant company been writing the line (s) of insurance requested in any state for at least three years?</p> <p align="center">Or</p> <p>3.) Is the applicant company a direct subsidiary of any company licensed in Massachusetts that would satisfy 1.) or 2.) and they have shared management teams?</p> <p>If there are any other scenarios present that the applicant company would like the Division to consider, contact the Division prior to submitting an application.</p>
<p>MI (5/04)</p>	<p>§ 500.476a</p>	<p>Retaliatory</p>	<p>No</p>
<p>MN (10/04)</p>	<p>Department Policy</p>	<p>1) Writing direct business in state of domicile 2) Direct written premiums for 2 years in lines of business applied for:</p>	<p>Commissioner may consider waiver if: 1) Applicant’s parent is admitted in MN and presents no solvency concerns; 2) Applicant provides services that are underserved in MN; or 3) Applicant is wholly-owned subsidiary of a seasoned, well capitalized parent.</p>
<p>MS (5/04)</p>	<p>§ 83-21-3</p>	<p>2 years</p>	<p>The Commissioner of Insurance may waive this requirement upon a written request by the applicant and a finding that the applicant meets the following criteria: (i) The company provides a service that is considered underserved in the state; (ii) The company has adequate capital and surplus; and (iii) The company possesses significant management and business experience in its respective line of business.</p>

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MO (5/04)	§ 375.821	Currently licensed for lines in domiciliary state and writing those lines for at least one year.	No
MT (5/04)	§ 33-2-709	Retaliatory	No
NE (5/04)	§ 44-150	Retaliatory	No
NV (5/04)	§ 680A.330	Retaliatory	Per Commissioners discretion.
NH (5/04)	§ 400-A:35	5 years	Commissioner may waive at the request of the insurer. The commissioner will consider: <ol style="list-style-type: none"> 1. Whether the applicant is a wholly owned subsidiary; 2. Whether the applicant is a continuation of a merger; 3. Whether the applicant has affiliates licensed and doing business in NH; and 4. Whether the company provides services that are underserved in the state.
NJ (07/12)	Reg. N.J.A.C. 11:1-10.4	3 years	Commissioner may waive at the request of the insurer. The commissioner will consider: <ol style="list-style-type: none"> 1. Whether the applicant is a wholly owned subsidiary; 2. Whether the applicant is a continuation of a merger; 3. Whether the applicant obtains a surety bond; 4. Whether the company provides services that are underserved in the state; 5. Whether the Commissioner finds that admission of the applicant would assist the Commissioner in helping to prevent or ameliorate disruptions in the property/casualty insurance market.
NM	§ 59A-5-33	Retaliatory	No
NY (7/11)	New York Ins. Law § 4119	3 years	Superintendent may waive the requirement.
NC (5/04)	§ 58-16-5(2)	None	No
ND (5/04)	§ 26.1-11-06	Retaliatory	No
OH (5/04)	ORC 3901.86A	None	No

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OK (1/15)	O.S. 36 § 628	Retaliatory & must have filed at least one financial statement	No
OR (5/04)	§ 731.854	Retaliatory	No
PA (5/11)	40 P.S. § 421	1 year	May waiver if company or association is affiliated with an insurer already authorized to do business in Pennsylvania.
PR (11/13)	L.P.R.A. § 304 L.P.R.A. § 318	5 years	<p>“In the case of a foreign insurer, be organized and continuously active for a term not less than five years immediately preceding the date of the application; Provided, That compliance with such requirement shall not be binding to subsidiaries wholly owned by authorized insured operating in Puerto Rico during the five years prior to the date on which the subsidiary applied for admission.”</p> <p>“If upon application by an insurer the Commissioner finds that the insurer has met the requirements for and is entitled thereto under this title, he shall issue to the insurer a proper certificate of authority showing the kind or kinds of insurance the insurer is authorized to transact in Puerto Rico. If the Commissioner finds otherwise, he shall deny the authority within a reasonable period following completion by the insurer of the application therefore.”</p>
RI (5/04)	§ 27-2-17	Retaliatory	No
SC (10/09)	Department Policy	Applicant 1) has continuously and actively transacted an insurance business for at least three years immediately prior to making application.	Director may waive if applicant 1) will write a line or lines of insurance not readily available to the citizens of South Carolina, and it can be clearly demonstrated that their interests are fully protected; 2) is a wholly-owned subsidiary or affiliate of an insurer which has been licensed and operating profitably in South Carolina for at least three years; or 3) is a continuing corporation resulting from merger or consolidation of insurance companies, at least one of which has been organized and actively engaged in insurance business in the state of its organization for at least three years prior to date of application for admittance.
SD (5/04)	§ 58-6-13	2 years	Wholly owned subsidiaries or which is a successor in interest through merger or consolidation of a company that is authorized insurer in South Dakota are excluded from seasoning requirements. Director may waive provisions if a special need or circumstance can be demonstrated.
TN (5/04)	§ 56-2-113	3 years	Wholly owned subsidiaries or merged companies are excluded from seasoning requirements. Commissioner has the authority to waive seasoning requirements if “it is in the public interest”.

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TX (5/04)	I.C. art. 21.46 (Repealed eff. 4/1/05)	Retaliatory	No
UT (5/04)	§ 31A-14-209	3 years	May waive if commissioner finds other grounds for being confident the company will be solid.
VT (5/04)	Bulletin 43 (Revised)	5 years	Commissioner has authority to waive criteria.
VI (5/04)	tit. 22 § 466	5 years	May waive if possesses sufficient capital or surplus funds.
VA (5/04)	VA Administrator Letter 2002-7 § 38.2-1024B	3 years	Expansion applicants are subject to a performance standard, defined generally as profitable operations as a direct writer for each of the three immediately preceding three years. For applicants that do not strictly comply with this standard, the Bureau, at its discretion, may give due consideration to such mitigating factors as the severity, cause(s), and timing of statutory losses, surplus strength of the applicant, financial strength of a parent insurer licensed in Virginia, other affiliates licensed in Virginia and under common control with the applicant, etc
WA (9/17)	§ 48.05.105	3 years	The applicant's parent company has held a certificate of authority in this state for at least 3 years. May also waive if the applicant that has paid-in and unassigned surplus of twenty-five million dollars or more upon application, and has made a deposit with the Commissioner in the amount of one million dollars for the sole benefit of the applicant's Washington policyholders.
WV (5/04)	§ 33-3-16	Retaliatory	No
WI (5/04)	§ 618.21	5 years	If seeking license during first 5 years, must have initial expendable surplus that the commissioner considers "adequate."
	Reg. § INS 6.01	2 years	No application of a foreign company will be considered until it has been in business at least 2 years.
WY (5/04)	§ 26-3-105	2 years	Wholly owned subsidiaries or merged companies or companies that offer products or services not readily available to the consumer are excluded from seasoning requirements.

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, the statutes and regulations cited should be consulted. The NAIC attempts to provide current information; however, readers should consult state law for additional adoptions.