

SENATE BILL 999

C4

4lr2985
CF HB 1465

By: **Senator Pugh**

Introduced and read first time: February 12, 2014

Assigned to: Rules

Re-referred to: Finance, February 19, 2014

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 10, 2014

CHAPTER _____

1 AN ACT concerning

2 **Insurance – Reinsurance – Certification of Reinsurers**

3 FOR the purpose of authorizing the Maryland Insurance Commissioner to use
4 information provided by the National Association of Insurance Commissioners
5 (NAIC) committee process to take certain actions relating to an applicant for
6 certification as a reinsurer in Maryland; ~~authorizing the Commissioner, until a~~
7 ~~certain time,~~ requiring the Commissioner to consider the list of conditionally
8 qualified jurisdictions published through the NAIC committee process ~~when in~~
9 determining the ~~jurisdictions under which an assuming insurer, licensed and~~
10 ~~domiciled in a jurisdiction on the list, is eligible to be considered for certification~~
11 ~~as a reinsurer in Maryland~~ qualified jurisdictions in the State under certain
12 circumstances; and generally relating to certification of reinsurers.

13 BY repealing and reenacting, without amendments,
14 Article – Insurance
15 Section ~~5-909(a)(1) and (b)(1)~~
16 Annotated Code of Maryland
17 (2011 Replacement Volume and 2013 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Insurance
20 Section ~~5-909(b)(1) and (2) and~~ 5-910
21 Annotated Code of Maryland
22 (2011 Replacement Volume and 2013 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Insurance**

4 5–909.

5 (a) (1) The Commissioner shall maintain and publish a list of qualified
6 jurisdictions under which an assuming insurer, licensed and domiciled in that
7 jurisdiction, is eligible to be considered for certification by the Commissioner as a
8 certified reinsurer.

9 (b) (1) The Commissioner shall consider the list of **CONDITIONALLY**
10 **QUALIFIED AND** qualified jurisdictions published through the National Association of
11 Insurance Commissioners committee process in determining the qualified jurisdictions
12 in this State.

13 (2) In determining whether a jurisdiction is a qualified jurisdiction,
14 the Commissioner shall consider the National Association of Insurance Commissioners
15 list OF CONDITIONALLY QUALIFIED AND QUALIFIED JURISDICTIONS:

16 (i) when the jurisdiction has been evaluated for inclusion on the
17 list; and

18 (ii) whenever the list is amended.

19 5–910.

20 (a) (1) The Commissioner shall assign a rating to each certified reinsurer
21 based on factors the Commissioner considers relevant, giving due consideration to the
22 financial strength ratings that have been assigned by rating agencies in accordance
23 with regulations the Commissioner adopts.

24 (2) The Commissioner shall publish a list of all certified reinsurers
25 and their ratings.

26 (b) If an applicant for certification has been certified as a reinsurer by the
27 insurance regulatory agency of a state accredited by the National Association of
28 Insurance Commissioners, the Commissioner may use information provided by that
29 insurance regulatory agency **OR THE NATIONAL ASSOCIATION OF INSURANCE**
30 **COMMISSIONERS COMMITTEE PROCESS** to:

31 (1) designate the assuming insurer as a certified reinsurer in this
32 State;

33 (2) assign a rating to the assuming insurer; or

1 (3) both.

2 (c) (1) A certified reinsurer that ceases to assume new business in this
3 State may request to maintain its certification in inactive status in order to continue
4 to qualify for a reduction in security for its in-force business.

5 (2) An inactive certified reinsurer shall continue to comply with all
6 applicable requirements of § 5-911 of this subtitle.

7 (3) The Commissioner shall assign a rating that takes into account, if
8 relevant, the reasons why the reinsurer is not assuming new business.

9 SECTION 2. AND BE IT FURTHER ENACTED, ~~That the Maryland Insurance~~
10 ~~Commissioner may consider the list of conditionally qualified jurisdictions published~~
11 ~~through the National Association of Insurance Commissioners committee process in~~
12 ~~determining the jurisdictions under which an assuming insurer, licensed and~~
13 ~~domiciled in a jurisdiction included on the list of conditionally qualified jurisdictions,~~
14 ~~is eligible to be considered for certification by the Commissioner as a certified~~
15 ~~reinsurer under Title 5, Subtitle 9 of the Insurance Article, until such time as a list of~~
16 ~~qualified jurisdictions is published through the National Association of Insurance~~
17 ~~Commissioners committee process.~~

18 ~~SECTION 3. AND BE IT FURTHER ENACTED,~~ That this Act shall take effect
19 June 1, 2014.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.