

115TH CONGRESS
2D SESSION

H. R. 7133

To clarify the definition of nonadmitted insurer under the Nonadmitted and Reinsurance Reform Act of 2010, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 14, 2018

Mr. WELCH introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To clarify the definition of nonadmitted insurer under the Nonadmitted and Reinsurance Reform Act of 2010, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Captive Insurers Clari-
5 fication Act”.

1 **SEC. 2. CAPTIVE INSURERS.**

2 (a) DEFINITIONS.—Section 527 of the Nonadmitted
3 and Reinsurance Reform Act of 2010 (15 U.S.C. 8206)
4 is amended—

5 (1) by redesignating paragraphs (4) through
6 (16) as paragraphs (5) through (17), respectively;

7 (2) by inserting after paragraph (3) the fol-
8 lowing:

9 “(4) CAPTIVE INSURANCE COMPANY.—The
10 term ‘captive insurance company’ includes any insur-
11 ance company—

12 “(A) that is wholly owned, directly or indi-
13 rectly, by a single parent company, and whose
14 primary purpose is to provide insurance to
15 cover the risks of such single parent company
16 or any affiliates of such single parent company;

17 “(B) that is wholly owned, directly or indi-
18 rectly, by a group of companies, and whose pri-
19 mary purpose is to provide insurance to cover
20 the risks of such group of companies or any af-
21 filiates of such group of companies; and

22 “(C) that is wholly owned, directly or indi-
23 rectly, by an industry, trade, or service group or
24 association, and whose primary purpose is to
25 provide insurance to cover the risks to any

1 member in such group or association or any af-
2 filiate of such member.”; and

3 (3) in paragraph (12)(B), as so redesignated—

4 (A) by striking “(B) does not include a
5 risk retention group” and inserting the fol-
6 lowing:

7 “(B) does not include—

8 “(i) a risk retention group”;

9 (B) by striking the period at the end and
10 inserting “; or”; and

11 (C) by adding at the end the following:

12 “(ii) a captive insurance company.”.

13 (b) RULE OF CONSTRUCTION.—This Act and the
14 amendments made by this Act may not be construed to
15 limit a State’s taxing authority over an insured with re-
16 spect to any self-procurement transaction involving a cap-
17 tive insurance company.

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