

SB0777/477976/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 777  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 24, after “association” insert “for certain purposes”; in line 26, strike “defer to” and substitute “use information on”; and in line 28, after “circumstances” insert “for certain purposes”.

On page 2, in line 11, after the second “certain” insert “reinsurance”; in line 12, strike “portfolio” and substitute “reinsurance program”; in line 15, after “terms;” insert “providing that certain laws of the State inconsistent with this Act are superseded to the extent of the inconsistency; providing that credit for reinsurance ceded to a reinsurer under this Act may be allowed only for certain contracts entered into or renewed on or after a certain date; providing that existing obligations or contract rights may not be impaired by this Act;”; in line 18, after “5-901” insert “through 5-904”; strike in their entirety lines 21 through 25, inclusive; in line 28, strike “5-902.1 and”; in the same line, after “5-903” insert “and 5-906”; in the same line, strike “5-914” and substitute “5-916”; and in line 33, strike “5-903, 5-904, and”.

AMENDMENT NO. 2

On page 3, after line 3, insert:

**“(C) “PRIMARY CERTIFYING STATE” MEANS A STATE OTHER THAN MARYLAND:**

**(1) IN WHICH THE INSURANCE REGULATORY AGENCY OR ITS EQUIVALENT HAS DESIGNATED AND ASSIGNED A RATING TO AN ASSUMING INSURER AS A CERTIFIED REINSURER; AND**

(Over)

(2) THE DESIGNATION OR RATING FROM WHICH THE COMMISSIONER HAS USED TO DESIGNATE OR ASSIGN A RATING TO THE ASSUMING INSURER IN THIS STATE UNDER § 5-910(B) OF THIS SUBTITLE.

(D) “QUALIFIED JURISDICTION” MEANS A JURISDICTION THAT THE COMMISSIONER DETERMINES MEETS THE REQUIREMENTS OF § 5-909 OF THIS SUBTITLE.”;

in line 4, strike “(C)” and substitute “(E)”; in line 6, strike “§ 5-912(C)(3)” and substitute “§ 5-914(C)(3)”; in line 28, strike “(D)” and substitute “(F)”; and after line 29, insert:

“(G) “TRUSTEED SURPLUS” MEANS FUNDS HELD IN A TRUST ACCOUNT IN EXCESS OF THE REINSURER’S LIABILITIES ATTRIBUTABLE TO REINSURANCE CEDED TO THE REINSURER BY UNITED STATES CEDING INSURERS IN ACCORDANCE WITH THIS SUBTITLE.”.

AMENDMENT NO. 3

On page 3, in line 31, before “This” insert “(A)”; and after line 31, insert:

“(B) ALL LAWS OR PARTS OF LAWS OF THE STATE THAT ARE INCONSISTENT WITH THIS SUBTITLE ARE SUPERSEDED TO THE EXTENT OF THE INCONSISTENCY.”.

On page 4, in line 1, strike “5-902.1.” and substitute “5-903.”; strike line 6 in its entirety and substitute:

“5-904.”;

strike in their entirety lines 9 through 11, inclusive; in lines 12, 13, 22, 25, and 28, strike “(A)”, “(D)”, “(B)”, “(C)”, and “(D)”, respectively, and substitute “(B)”, “(E)”, “(C)”, “(D)”, and “(E)”, respectively; in line 12, strike “(B),”; in the same line, after “(C),” insert “(D),”; in line 19, strike “(D) OR”; in the same line, after “(E)” insert “OR (F)”; in line 20, strike “§ 5-911” and substitute “§ 5-913”; in line 27, strike “§ 5-904” and substitute “§ 5-906”; in line 28, strike “§ 5-911” and substitute “§ 5-913”; and in line 31, strike “§ 5-905” and substitute “§ 5-907”.

On page 5, in lines 1 and 5, strike “(E)” and “(F)”, respectively, and substitute “(F)” and “(G)”, respectively; in line 3, after “STATE” insert “IN ACCORDANCE WITH §§ 5-908 AND 5-909 OF THIS SUBTITLE”; in line 4, strike “§ 5-909” and substitute “§ 5-911”; in line 6, strike “(B),”; in line 7, after “(D),” insert “(E),”; in the same line, strike “(E)” and substitute “(F)”; strike line 10 in its entirety and substitute:

“5-905.”;

and strike beginning with the colon in line 12 down through “(ii)” in line 16.

On page 6, in lines 8 and 24, in each instance, strike “agreement” and substitute “CONTRACT”; in line 28, strike “treaties” and substitute “CONTRACTS”; in the same line, strike the bracket; and in line 29, strike “5-904.” and substitute “5-906.”.

On page 7, in line 1, strike “THIS STATE’S” and substitute “THE COMMISSIONER’S”; in line 28, strike “5-905.” and substitute “5-907.”; and in line 30, strike “§ 5-903(D)” and substitute “§ 5-904(E)”.

On page 8, in line 3, strike “LICENSED” and substitute “AUTHORIZED”; in lines 10, 12, and 16, in each instance, strike “COMMISSIONER” and substitute “INSURANCE REGULATORY AGENCY”; in line 25, after “AS” insert “DETERMINED”.

(Over)

**BY**”; in the same line, strike “**DETERMINES**”; and in line 28, strike “**AGREEMENTS**” and substitute “**CONTRACTS**”.

On page 9, in line 7, strike “**IN THE CASE OF**” and substitute “**THIS SUBSECTION APPLIES TO CEDING TO**”; in the same line, strike the colon and substitute a period; in lines 8, 12, and 15, strike “**(I)**”, “**(II)**”, and “**(2)**”, respectively, and substitute “**(2)**”, “**(3)**”, and “**(4)**”, respectively; in line 8, strike “**THE**” and substitute “**THE**”; in line 11, strike “**; AND**” and substitute a period; in line 12, strike “**EXCEPT**” and substitute “**EXCEPT**”; in the same line, strike “**(2)**” and substitute “**(4)**”; and in line 18, strike “**COMMISSIONER**” and substitute “**INSURANCE REGULATORY AGENCY**”.

On page 10, in lines 6, 8, 14, 21, 26, 27, 29, and 32, strike “**(3) (I)**”, “**1.**”, “**2.**”, “**3.**”, “**(II)**”, “**1.**”, “**2.**”, and “**(III)**”, respectively, and substitute “**(K) (1)**”, “**(2)**”, “**(3)**”, “**(4)**”, “**(5)**”, “**(I)**”, “**(II)**”, and “**(6)**”, respectively; in line 6, strike “**IN THE CASE OF**” and substitute “**THIS SUBSECTION APPLIES TO CEDING TO**”; in the same line, strike “**INCLUDING**” and substitute “**THAT INCLUDES**”; in line 7, strike the colon and substitute a period; in lines 8 and 14, in each instance, strike “**FOR**” and substitute “**FOR**”; in lines 9 and 15, in each instance, strike “**AGREEMENTS**” and substitute “**CONTRACTS**”; in line 13, strike the semicolon and substitute a period; and in line 20, strike “**; AND**” and substitute a period.

On page 11, in lines 1 and 4, strike “**1.**” and “**2.**”, respectively, and substitute “**(I)**” and “**(II)**”, respectively; and strike in their entirety lines 7 through 27, inclusive.

#### AMENDMENT NO. 4

On page 11, in line 28, strike “**5-906.**” and substitute “**5-908.**”; in line 30, strike “**§ 5-903(E)**” and substitute “**§ 5-904(F)**”; and in line 32, strike “**§ 5-907**” and substitute “**§ 5-909**”.

On page 12, in line 2, after “DETERMINES” insert “IN ACCORDANCE WITH REGULATIONS THE COMMISSIONER ADOPTS”; in line 4, after “ACCEPTABLE” insert “IN ACCORDANCE WITH REGULATIONS THE COMMISSIONER ADOPTS”; in line 13, after “DETERMINES” insert “BOTH”; in line 17, strike “AN ASSOCIATION” and substitute “A GROUP”; in lines 19, 22, 23, 25, 28, 30, and 31, in each instance, strike “ASSOCIATION” and substitute “GROUP”; in line 20, after “MEETS” insert “ALL”; and in line 21, strike “SUBSECTION AND SUBSECTION (A) OF THIS”.

On page 13, in lines 1, 4, and 6, in each instance, strike “ASSOCIATION’S” and substitute “GROUP’S”; and in lines 5 and 11, in each instance, strike “ASSOCIATION” and substitute “GROUP”.

#### AMENDMENT NO. 5

On page 13, in line 12, strike “5-907.” and substitute “5-909.”; in line 28, after “AGREE” insert “IN WRITING”; in line 31, after “RECOGNIZE” insert “A JURISDICTION”; in line 32, strike “A JURISDICTION THAT” and substitute “UNLESS”; and in the same line, strike “DETERMINES DOES” and substitute “HAS DETERMINED THAT THE JURISDICTION”.

On page 14, in line 1, strike “NOT”; in the same line, strike “ENFORCE” and substitute “ENFORCES”; in line 6, strike “THERE IS A” and substitute “THE COMMISSIONER SHALL CONSIDER THE”; in line 8, after “PROCESS” insert “IN DETERMINING THE QUALIFIED JURISDICTIONS IN THIS STATE”; in line 9, strike “THE” and substitute “IN DETERMINING WHETHER A JURISDICTION IS A QUALIFIED JURISDICTION, THE”; in lines 10 and 11, strike “IN DETERMINING QUALIFIED JURISDICTIONS” and substitute “:”

(I) WHEN THE JURISDICTION HAS BEEN EVALUATED FOR INCLUSION ON THE LIST; AND

(Over)

**(II) WHENEVER THE LIST IS AMENDED**;

strike beginning with “THOROUGHLY” in line 15 down through “UNDER” in line 16 and substitute “**INFORMATION RELATED TO THE APPROVAL TO THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS AS PROVIDED IN**”; in line 18, strike “UNITED STATES JURISDICTIONS” and substitute “**THE COMMISSIONER SHALL RECOGNIZE AS A QUALIFIED JURISDICTION IN THIS STATE ANY STATE**”; in the same line, strike “MEET” and substitute “**MEETS**”; strike beginning with “SHALL” in line 21 down through “STATE” in line 22; in line 26, strike “5-908.” and substitute “**5-910.**”; in line 28, after “REINSURER” insert “**BASED ON FACTORS THE COMMISSIONER CONSIDERS RELEVANT**”; and strike beginning with the second “THAT” in line 29 down through “ACCEPTABLE” in line 30.

On page 15, in line 2, strike “IN A JURISDICTION” and substitute “**BY THE INSURANCE REGULATORY AGENCY OF A STATE**”; strike beginning with the colon in line 3 down through “(1)” in line 4 and substitute a comma; strike beginning with “DEFER” in line 4 down through “STATE” in line 7 and substitute “**USE INFORMATION PROVIDED BY THAT INSURANCE REGULATORY AGENCY TO:**

**(1) DESIGNATE THE ASSUMING INSURER AS A CERTIFIED REINSURER IN THIS STATE;**

**(2) ASSIGN A RATING TO THE ASSUMING INSURER; OR**

**(3) BOTH**;

in line 13, strike “§ 5-909” and substitute “**§ 5-911**”; in line 17, strike “5-909.” and substitute “**5-911.**”; in lines 26 and 30, in each instance, strike “THE PROVISIONS OF”; in line 26, strike “§ 5-912” and substitute “**§ 5-914**”; in lines 27 and 28, strike “§

**5-905**” and substitute “**§ 5-907**”; in line 30, strike “**§ 5-905**” and substitute “**§ 5-907**”; and in line 34, strike “**AGREEMENTS**” and substitute “**CONTRACTS**”.

On page 16, in line 3, strike “**§ 5-905**” and substitute “**§ 5-907**”; in line 5, strike “**§ 5-906**” and substitute “**§ 5-908**”; in lines 11 and 12, strike “**§ 5-905**” and substitute “**§ 5-907**”; in line 26, after “**CERTIFICATION**” insert “**THE COMMISSIONER**”; in the same line, strike “**BEEN**”; in lines 26 and 27, strike “**VOLUNTARILY SURRENDERED,**”; in line 27, after “**STATUS**” insert “**, OR HAS BEEN VOLUNTARILY SURRENDERED,**”; in line 28, strike “**100%**” and substitute “**ALL**”; and in line 35, strike “**5-910.**” and substitute “**5-912.**”.

On page 17, in line 10, strike “**TERMINATING**” and substitute “**SUSPENDING OR REVOKING**”; in line 15, after “**(I)**” insert “**THE COMMISSIONER FINDS THAT**”; in line 23, strike “**§ 5-912**” and substitute “**§ 5-914**”; in line 28, strike “**§ 5-909 OR § 5-912**” and substitute “**§ 5-911 OR § 5-914**”; and in line 29, strike “**5-911.**” and substitute “**5-913.**”.

On page 18, in line 1, strike “**§ 5-903(D)**” and substitute “**§ 5-904(E)**”; in line 2, strike “**AGREEMENTS**” and substitute “**CONTRACTS**”; in lines 5, 18, and 19, in each instance, strike “**AGREEMENT**” and substitute “**CONTRACT**”; in line 6, strike “**OF THE**”; in line 21, strike “**§ 5-903(B)**” and substitute “**§ 5-904(C)**”; in the same line, strike “**(C)**” and substitute “**(D)**”; in the same line, strike “**§ 5-903(D)**” and substitute “**§ 5-904(E)**”; in line 22, strike “**(E)**” and substitute “**(F)**”; in line 27, strike “**§ 5-905(J)**” and substitute “**§ 5-907(J)**”; and in lines 31 and 34, in each instance, strike “**COMMISSIONER**” and substitute “**INSURANCE REGULATORY AGENCY**”.

On page 19, in lines 2, 6, and 10, in each instance, strike “**COMMISSIONER**” and substitute “**INSURANCE REGULATORY AGENCY**”; in line 16, strike “**5-912.**” and substitute “**5-914.**”; and in line 19, strike “**§ 9-503**” and substitute “**§ 5-904**”.

(Over)

On page 20, in line 22, strike “**5-913.**” and substitute “**5-915.**”.

On page 21, in line 9, strike “**5-914.**” and substitute “**5-916.**”; after line 11, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That credit for reinsurance ceded to a reinsurer under this Act may be allowed only for reinsurance contracts entered into or renewed on or after the effective date of the certification of the assuming insurer by the Maryland Insurance Commissioner under this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That a presently existing obligation or contract right may not be impaired in any way by this Act.”;

and in line 12, strike “2.” and substitute “**4.**”.