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9lr1866 CF 9lr1655

By: Senator Kelley

Introduced and read first time: January 24, 2019

Assigned to: Finance

## A BILL ENTITLED

1 AN ACT concerning

## Insurance – Principle–Based Reserves

- FOR the purpose of altering the exemptions that the Maryland Insurance Commissioner may provide to certain domestic insurance companies from certain reserve requirements; authorizing the Commissioner to exempt a certain domestic insurance company from certain requirements if the company meets certain principle—based reserve exemption criteria; repealing certain exemptions to certain reserve requirements; and generally relating to insurance companies and required reserves.
- 9 BY repealing and reenacting, with amendments,
- 10 Article Insurance
- 11 Section 5–317
- 12 Annotated Code of Maryland
- 13 (2017 Replacement Volume and 2018 Supplement)
- 14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 15 That the Laws of Maryland read as follows:

## 16 Article - Insurance

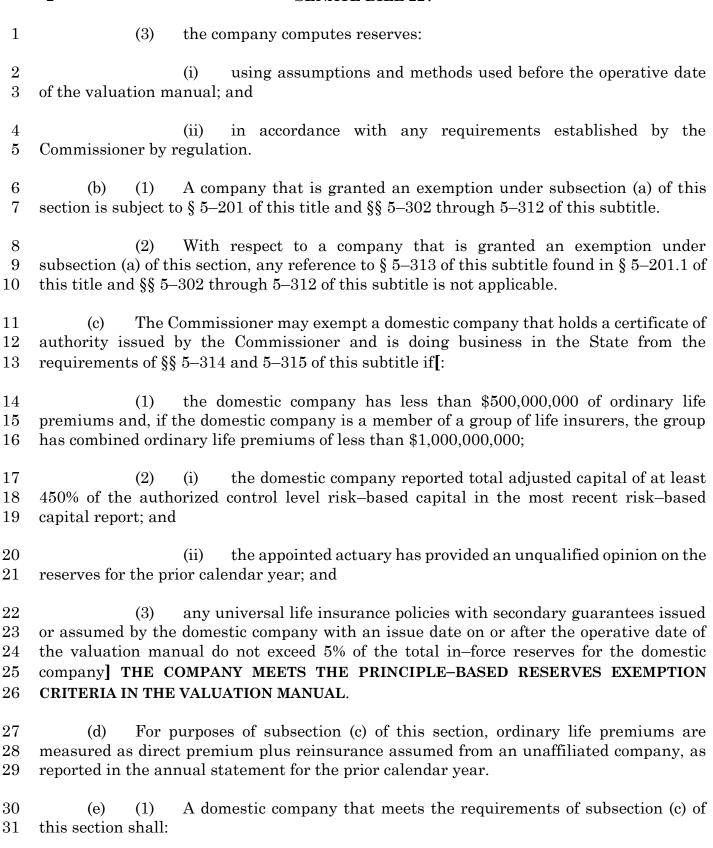
17 5–317.

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- 18 (a) The Commissioner may exempt a specific product form or product line of a domestic company that holds a certificate of authority issued by the Commissioner and is doing business only in the State from the requirements of § 5–313 of this subtitle if:
- 21 (1) the Commissioner has issued an exemption in writing to the company;
- 22 (2) the exemption has not been revoked in writing by the Commissioner;
- 23 and



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1. using assumptions and methods used before the operative date of the valuation manual; and

compute reserves:

(i)

2. in accordance with any requirements established by the 1 2 Commissioner in regulation; and

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- file, before July 1 of each year, a statement with the (ii) Commissioner certifying that the domestic company meets the requirements of subsection (c) of this section for the current calendar year based on premiums and other values from the financial statements for the prior calendar year.
- (2)Before September 1 of each year, the Commissioner may reject a 8 statement filed under paragraph (1)(ii) of this subsection and require a domestic company to comply with the valuation manual requirements for life insurance reserves.
- 10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 11 October 1, 2019.