

HOUSE BILL 1465

C4

4lr2992
CF SB 999

By: **Delegate Davis**

Introduced and read first time: February 19, 2014

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

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, to consider the list of conditionally qualified jurisdictions
8 published through the NAIC committee process when determining the
9 jurisdictions under which an assuming insurer, licensed and domiciled in a
10 jurisdiction on the list, is eligible to be considered for certification as a reinsurer
11 in Maryland; and generally relating to certification of reinsurers.

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

17 BY repealing and reenacting, with amendments,
18 Article – Insurance
19 Section 5–910
20 Annotated Code of Maryland
21 (2011 Replacement Volume and 2013 Supplement)

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

24 **Article – Insurance**

25 5–909.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

5 (b) (1) The Commissioner shall consider the list of qualified jurisdictions
6 published through the National Association of Insurance Commissioners committee
7 process in determining the qualified jurisdictions in this State.

8 5–910.

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

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

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

20 (1) designate the assuming insurer as a certified reinsurer in this
21 State;

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

23 (3) both.

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

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

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

31 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Insurance
32 Commissioner may consider the list of conditionally qualified jurisdictions published
33 through the National Association of Insurance Commissioners committee process in
34 determining the jurisdictions under which an assuming insurer, licensed and
35 domiciled in a jurisdiction included on the list of conditionally qualified jurisdictions,

1 is eligible to be considered for certification by the Commissioner as a certified
2 reinsurer under Title 5, Subtitle 9 of the Insurance Article, until such time as a list of
3 qualified jurisdictions is published through the National Association of Insurance
4 Commissioners committee process.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 June 1, 2014.