

Chapter 366

(Senate Bill 999)

AN ACT concerning

Insurance – Reinsurance – Certification of Reinsurers

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

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

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

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

Article – Insurance

5–909.

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

(b) (1) The Commissioner shall consider the list of CONDITIONALLY QUALIFIED AND qualified jurisdictions published through the National Association of

Insurance Commissioners committee process in determining the qualified jurisdictions in this State.

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

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

(ii) whenever the list is amended.

5-910.

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

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

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

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

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

(3) both.

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

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

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

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

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

Approved by the Governor, May 5, 2014.