

MIA's Proposed Amendment for HB 252

On page 4, strike beginning with "OBTAINED" in line 3 down through "WITH" in line 4 and substitute "REPORTED OR PROVIDED TO THE COMMISSIONER PURSUANT TO".

On page 4, strike beginning with "A" in line 24 down through "REASON." In line 30 and substitute with:

"FOR PURPOSES OF THE INFORMATION REPORTED AND PROVIDED TO THE COMMISSIONER PURSUANT TO § 7-603(I), AND EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE COMMISSIONER SHALL MAINTAIN THE CONFIDENTIALITY OF THE GROUP CAPITAL CALCULATION AND GROUP CAPITAL RATIO PRODUCED WITHIN THE CALCULATION AND ANY GROUP CAPITAL INFORMATION RECEIVED FROM AN INSURANCE HOLDING COMPANY SUPERVISED BY THE FEDERAL RESERVE BOARD OR ANY U.S. GROUP WIDE SUPERVISOR.

(6) FOR PURPOSES OF THE INFORMATION REPORTED AND PROVIDED TO THE COMMISSIONER PURSUANT § 7-603(J), AND EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE COMMISSIONER SHALL MAINTAIN THE CONFIDENTIALITY OF THE LIQUIDITY STRESS TEST RESULTS AND SUPPORTING DISCLOSURES AND ANY LIQUIDITY STRESS TEST INFORMATION RECEIVED FROM AN INSURANCE HOLDING COMPANY SUPERVISED BY THE FEDERAL RESERVE BOARD AND NON-U.S. GROUP WIDE SUPERVISORS.

(7) IN ORDER TO ASSIST IN THE PERFORMANCE OF THE COMMISSIONER'S DUTIES, THE COMMISSIONER:

(I) MAY SHARE DOCUMENTS, MATERIALS OR OTHER INFORMATION, INCLUDING CONFIDENTIAL AND PRIVILEGED INFORMATION, INCLUDING PROPRIETARY AND TRADE SECRET DOCUMENTS AND MATERIALS WITH OTHER STATE, FEDERAL AND INTERNATIONAL REGULATORY AGENCIES, WITH THE NAIC, AND WITH ANY THIRD-PARTY CONSULTANTS DESIGNATED BY THE COMMISSIONER, WITH STATE, FEDERAL AND INTERNATIONAL

LAW ENFORCEMENT AUTHORITIES, INCLUDING MEMBERS OF ANY SUPERVISORY COLLEGE DESCRIBED IN §2-209.1, PROVIDED THE RECIPIENT AGREES IN WRITING TO MAINTAIN THE CONFIDENTIALITY AND PRIVILEGED STATUS OF THE DOCUMENT, MATERIAL OR OTHER INFORMATION, AND HAS VERIFIED IN WRITING THE LEGAL AUTHORITY TO MAINTAIN CONFIDENTIALITY.

(II) NOT WITHSTANDING PARAGRAPH (I) ABOVE, MAY ONLY SHARE CONFIDENTIAL AND PRIVILEGED DOCUMENTS, MATERIAL, OR INFORMATION REPORTED PURSUANT TO §7-603(H) WITH THE COMMISSIONERS OF STATES HAVING STATUTES OR REGULATIONS SUBSTANTIALLY SIMILAR TO THIS SECTION AND WHO HAVE AGREED IN WRITING NOT TO DISCLOSE SUCH INFORMATION.

(III) MAY RECEIVE DOCUMENTS, MATERIALS OR INFORMATION, INCLUDING OTHERWISE CONFIDENTIAL AND PRIVILEGED DOCUMENTS, MATERIALS AND INFORMATION, INCLUDING PROPRIETARY AND TRADE SECRET INFORMATION FROM THE NAIC AND ITS AFFILIATES AND SUBSIDIARIES AND FROM REGULATORY AND LAW ENFORCEMENT OFFICIALS OF OTHER FOREIGN OR DOMESTIC JURISDICTIONS, AND SHALL MAINTAIN AS CONFIDENTIAL AND PRIVILEGED ANY DOCUMENT, MATERIAL OR INFORMATION RECEIVED WITH NOTICE OR THE UNDERSTANDING THAT IT IS CONFIDENTIAL OR PRIVILEGED UNDER THE LAWS OF THE JURISDICTION THAT IS THE SOURCE OF THE DOCUMENT, MATERIAL OR INFORMATION; AND

(IV) SHALL ENTER INTO WRITTEN AGREEMENTS WITH THE NAIC AND ANY THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER GOVERNING THE SHARING AND USE OF INFORMATION PROVIDED PURSUANT TO THIS TITLE CONSISTENT WITH THIS SECTION THAT SHALL:

1. SPECIFY PROCEDURES AND PROTOCOLS REGARDING CONFIDENTIALITY AND SECURITY OF INFORMATION SHARED WITH THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER PURSUANT TO THIS TITLE, INCLUDING PROCEDURES AND PROTOCOLS FOR SHARING BY THE NAIC WITH OTHER STATE, FEDERAL OR

INTERNATIONAL REGULATORS.

2. THE AGREEMENT SHALL PROVIDE THAT THE RECIPIENT AGREES IN WRITING TO MAINTAIN THE CONFIDENTIALITY AND PRIVILEGED STATUS OF THE DOCUMENTS, MATERIALS AND OTHER INFORMATION AND HAS VERIFIED IN WRITING THE LEGAL AUTHORITY TO MAINTAIN SUCH CONFIDENTIALITY;
3. SPECIFY THAT OWNERSHIP OF INFORMATION SHARED WITH THE NAIC OR A THIRD-PARTY CONSULTANT PURSUANT TO THIS TITLE REMAINS WITH THE COMMISSIONER AND THE USE OF THE INFORMATION IS SUBJECT TO THE DIRECTION OF THE COMMISSIONER;
4. EXCLUDING DOCUMENTS, MATERIAL OR INFORMATION REPORTED PURSUANT TO §7-603(J), PROHIBIT THE NAIC OR THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER FROM STORING THE INFORMATION SHARED PURSUANT TO THIS TITLE IN A PERMANENT DATABASE AFTER THE UNDERLYING ANALYSIS IS COMPLETED;
5. REQUIRE PROMPT NOTICE TO BE GIVEN TO AN INSURER WHOSE CONFIDENTIAL INFORMATION IN THE POSSESSION OF THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER IS SUBJECT TO A REQUEST OR SUBPOENA TO THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER FOR DISCLOSURE OR PRODUCTION; AND
6. REQUIRE THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER TO CONSENT TO INTERVENTION BY AN INSURER IN ANY JUDICIAL OR ADMINISTRATIVE ACTION IN WHICH THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER MAY BE REQUIRED TO DISCLOSE CONFIDENTIAL INFORMATION ABOUT THE INSURER SHARED BY THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER.
7. FOR DOCUMENTS, MATERIAL OR INFORMATION REPORTING

PURSUANT TO §7-603(J), PROVIDE FOR THE NOTIFICATION OF THE IDENTITY OF THE CONSULTANT TO THE APPLICABLE INSURERS, IN THE CASE OF AN AGREEMENT INVOLVING A THIRD-PARTY CONSULTANT.

- (8) THE SHARING OF INFORMATION BY THE COMMISSIONER PURSUANT TO THIS TITLE SHALL NOT CONSTITUTE A DELEGATION OF REGULATORY AUTHORITY OR RULEMAKING, AND THE COMMISSIONER IS SOLELY RESPONSIBLE FOR THE ADMINISTRATION, EXECUTION AND ENFORCEMENT OF THE PROVISIONS OF THIS TITLE.
- (9) NO WAIVER OF ANY APPLICABLE PRIVILEGE OR CLAIM OF CONFIDENTIALITY IN THE DOCUMENTS, MATERIALS OR INFORMATION SHALL OCCUR AS A RESULT OF DISCLOSURE TO THE COMMISSIONER OR AS A RESULT OF SHARING AS AUTHORIZED IN THIS SECTION.
- (10) THE GROUP CAPITAL CALCULATION AND RESULTING GROUP CAPITAL RATIO REQUIRED UNDER §7-603(I) AND THE LIQUIDITY STRESS TEST ALONG WITH ITS RESULTS AND SUPPORTING DISCLOSURES REQUIRED UNDER §7-603(J) ARE REGULATORY TOOLS FOR ASSESSING GROUP RISKS AND CAPITAL ADEQUACY AND GROUP LIQUIDITY RISKS, RESPECTIVELY, AND ARE NOT INTENDED AS A MEANS TO RANK INSURERS OR INSURANCE HOLDING COMPANY SYSTEMS GENERALLY.
- (11) DISCLOSURE OF GROUP CAPITAL CALCULATION, GROUP CAPITAL RATIO, LIQUIDITY STRESS TEST RESULTS, OR SUPPORTING DISCLOSURES BY ANY INSURER, BROKER, OR OTHER PERSON ENGAGED IN ANY MANNER OF THE INSURANCE BUSINESS IS SUBJECT TO THE FOLLOWING:
- (I) EXCEPT AS OTHERWISE MAY BE REQUIRED BY THE PROVISIONS OF THIS TITLE OR AS PROVIDED IN SUBSECTION (II) BELOW, THE MAKING, PUBLISHING, DISSEMINATING, CIRCULATING OR PLACING BEFORE THE PUBLIC, OR CAUSING DIRECTLY OR INDIRECTLY TO BE MADE, PUBLISHED, DISSEMINATED, CIRCULATED OR PLACED BEFORE THE PUBLIC IN A NEWSPAPER, MAGAZINE OR OTHER PUBLICATION, OR IN THE FORM OF A NOTICE, CIRCULAR, PAMPHLET, LETTER OR POSTER, OR OVER ANY RADIO OR TELEVISION STATION OR ANY ELECTRONIC MEANS OF COMMUNICATION AVAILABLE TO THE PUBLIC,

OR IN ANY OTHER WAY AS AN ADVERTISEMENT, ANNOUNCEMENT OR STATEMENT CONTAINING A REPRESENTATION OR STATEMENT WITH REGARD TO THE GROUP CAPITAL CALCULATION, GROUP CAPITAL RATIO, THE LIQUIDITY STRESS TEST RESULTS, OR SUPPORTING DISCLOSURES FOR THE LIQUIDITY STRESS TEST OF ANY INSURER OR ANY INSURER GROUP, OR OF ANY COMPONENT DERIVED IN THE CALCULATION BY ANY INSURER, BROKER, OR OTHER PERSON ENGAGED IN ANY MANNER IN THE INSURANCE BUSINESS WOULD BE MISLEADING AND IS THEREFORE PROHIBITED;

(II) IF ANY MATERIALLY FALSE STATEMENT WITH RESPECT TO THE GROUP CAPITAL CALCULATION, RESULTING GROUP CAPITAL RATIO, AN INAPPROPRIATE COMPARISON OF ANY AMOUNT TO AN INSURER’S OR INSURANCE GROUP’S GROUP CAPITAL CALCULATION OR RESULTING GROUP CAPITAL RATIO, LIQUIDITY STRESS TEST RESULT, SUPPORTING DISCLOSURES FOR THE LIQUIDITY STRESS TEST, OR AN INAPPROPRIATE COMPARISON OF ANY AMOUNT TO AN INSURER’S OR INSURANCE GROUP’S LIQUIDITY STRESS TEST RESULT OR SUPPORTING DISCLOSURES IS PUBLISHED IN ANY WRITTEN PUBLICATION AND THE INSURER IS ABLE TO DEMONSTRATE TO THE COMMISSIONER WITH SUBSTANTIAL PROOF THE FALSITY OF SUCH STATEMENT OR THE INAPPROPRIATENESS, AS THE CASE MAY BE, THEN THE INSURER MAY PUBLISH ANNOUNCEMENTS IN A WRITTEN PUBLICATION IF THE SOLE PURPOSE OF THE ANNOUNCEMENT IS TO REBUT THE MATERIALLY FALSE STATEMENT.”

On page 8, strike beginning with from “IS” beginning in line 6 down through “COMMISSIONER;” in line 11 and substitute with “UNLESS THE FEDERAL RESERVE BOARD CANNOT SHARE THE CALCULATION WITH THE LEAD STATE COMMISSIONER AFTER A REQUEST IS MADE BY THE LEAD STATE

COMMISSIONER UNDER THE TERMS OF INFORMATION SHARING AGREEMENTS IN EFFECT AT THE TIME THE REQUEST IS MADE:

On page 8, line 13, strike “FOREIGN” and substitute “NON-U.S.”.

On page 8, line 25, strike “FOREIGN” and substitute “NON-U.S.”.

On page 8, line 30, strike “PARAGRAPH (2)” and substitute “PARAGRAPHS (2)(III), (2)(IV), AND (2)(V)”.

On page 8, line 32, strike “FOREIGN” and substitute “NON-U.S.”.