

State Corporation Commission 2012 Fiscal Impact Statement

1. Bill Number: HB1139

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Ware, R.L.

3. Committee: Passed Both Houses

4. Title: Reinsurance credits.

5. Summary: Reinsurance credits. Amends Article 3.1 of Chapter 13 which sets forth the requirements for certified reinsurers, assignment of ratings, reduction in collateral, qualified jurisdictions, management of concentration risk, and diversification of reinsurance programs. Conforms Virginia's law to the provisions of the Credit for Reinsurance Model Law of the National Association of Insurance Commissioner (NAIC). Conformity to the Model complies with provisions of the federal Nonadmitted and Reinsurance Reform Act (NRRA), which permits states to proceed with reinsurance collateral reforms on an individual basis if they are accredited under the NAIC's Financial Regulation Standards and Accreditation Program.

6. Budget amendment necessary: No

7. No Fiscal Impact on the State Corporation Commission. Final.

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: House Bill 1139 addresses efforts in recent years to reform the treatment of reinsurance transactions in light of the global nature of reinsurance in today's economy and to have the amendments enacted uniformly across states. House Bill 1139 was introduced by its patron at the request of the State Corporation Commission.

Date: 02/27/12/V. Tompkins

cc: Secretary of Commerce and Trade
Secretary of Health and Human Resources