

SB 60 -- REINSURANCE

SPONSOR: Rupp

COMMITTEE ACTION: Voted "Do Pass by Consent" by the Committee on Insurance Policy by a vote of 8 to 0.

This bill changes the laws regarding the accreditation requirements for reinsurance companies in order to comply with the federal Nonadmitted and Reinsurance Reform Act of 2010 that became effective July 21, 2011. The bill changes the requirements for a reinsurance company to do business in Missouri and specifies when an insurance company can take credit or reduce liability on its financial statement due to reinsurance.

The bill becomes effective January 1, 2014.

PROPOSERS: Supporters say that the bill is based upon the National Association of Insurance Commissioners model law for reinsurance companies and will be adopted in many states. It will increase the availability of reinsurance and open Missouri to new markets.

Testifying for the bill were Representative Gosen; and Missouri Insurance Coalition.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that the Department of Insurance, Financial Institutions and Professional Registration confirmed that many states are seeking to adopt this model language to encourage the growth of the reinsurance business.