

One Hundred Fifth Legislature - Second Session - 2018

Introducer's Statement of Intent

LB815

Chairperson: Senator Brett Lindstrom

Committee: Banking, Commerce and Insurance

Date of Hearing: January 16, 2018

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 815 was introduced on behalf of the Director of Insurance. The legislation proposes to adopt the latest updates to the credit for reinsurance model law of the National Association of Insurance Commissioners (NAIC). The NAIC is the United States standard-setting and regulatory support organization created and governed by the chief insurance regulators from the fifty states, the District of Columbia and five United States territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the United States.

Specifically, LB 815 provides authority for the Department of Insurance to adopt rules and regulations governing the valuation of assets, the amount and form of security, or the circumstances where a credit would be eliminated or reduced for special purpose financial captives utilized by insurers for reserving term and universal life policies. Special purpose financial captives are specialized captive insurers which provide insurance and reinsurance to a parent insurer or affiliate.

The changes included in LB 815 are considered an accreditation standard by the NAIC.

Principal Introducer: _____

Senator Paul Schumacher