
A BILL FOR AN ACT

RELATING TO INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. Chapter 431, Hawaii Revised Statutes, is
3 amended by adding a new article to be appropriately designated
4 and to read as follows:

5 "ARTICLE

6 RISK MANAGEMENT AND OWN RISK AND SOLVENCY ASSESSMENT

7 §431: - Scope and purpose. (a) This article applies
8 to all insurers domiciled in this State unless exempt pursuant
9 to section 431: - .

10 (b) The purposes of this article is to provide:

11 (1) The requirements for maintaining a risk management
12 framework and completing an own risk and solvency
13 assessment; and

14 (2) Guidance and instructions for filing an own risk and
15 solvency assessment summary report with the
16 commissioner.

17 §431: - Definitions. As used in this article:



1 "Insurance group" means those insurers and affiliates
2 included within an insurance holding company system as defined
3 in article 11.

4 "Insurer" shall have the same meaning as set forth in
5 article 1, except that it shall not include:

- 6 (1) Agencies, authorities, or instrumentalities of the
7 United States, its possessions and territories, the
8 Commonwealth of Puerto Rico, the District of Columbia,
9 or a state or political subdivision of a state;
- 10 (2) Fraternal benefit societies;
- 11 (3) Nonprofit medical and hospital service associations
12 that are exempt from state and federal income taxes;
13 or
- 14 (4) Unauthorized insurers.

15 "Own risk and solvency assessment" means a confidential
16 internal assessment, appropriate to the nature, scale, and
17 complexity of an insurer or insurance group, and conducted by
18 that insurer or insurance group of the material and relevant
19 risks associated with the insurer or insurance group's current
20 business plan and the sufficiency of capital resources to
21 support those risks.



1 "Own Risk and Solvency Assessment Guidance Manual" means
2 the current version of the Own Risk and Solvency Assessment
3 Guidance Manual developed and adopted by the National
4 Association of Insurance Commissioners and as amended from time
5 to time. A change in the Own Risk and Solvency Assessment
6 Guidance Manual shall take effect on the January 1 following the
7 calendar year in which the changes have been adopted by the
8 National Association of Insurance Commissioners.

9 "Own risk and solvency assessment summary report" means a
10 confidential, high-level summary of an insurer or insurance
11 group's own risk and solvency assessment.

12 **§431: - Risk management framework.** An insurer shall
13 maintain a risk management framework to assist the insurer with
14 identifying, assessing, monitoring, managing, and reporting its
15 material and relevant risks. This requirement may be satisfied
16 if the insurance group of which the insurer is a member
17 maintains a risk management framework applicable to the
18 operations of the insurer.

19 **§431: - Own risk and solvency assessment requirement.**
20 Subject to section 431: - , an insurer or the insurance group
21 of which the insurer is a member shall regularly conduct an own



1 risk and solvency assessment consistent with a process
2 comparable to the Own Risk and Solvency Assessment Guidance
3 Manual. The own risk and solvency assessment shall be conducted
4 no less than annually but also at any time when there are
5 significant changes to the risk profile of the insurer or the
6 insurance group of which the insurer is a member.

7 §431: - Own risk and solvency assessment summary
8 report. (a) Upon the commissioner's request, and no more than
9 once each year beginning in 2018, an insurer shall submit to the
10 commissioner an own risk and solvency assessment summary report
11 or any combination of reports that together contain the
12 information described in the Own Risk and Solvency Assessment
13 Guidance Manual, which is applicable to the insurer, the
14 insurance group of which it is a member, or both.

15 Notwithstanding any request from the commissioner, if the
16 insurer is a member of an insurance group, the insurer shall
17 submit any reports required by this subsection if the
18 commissioner is the lead state commissioner of the insurance
19 group as determined by the procedures in the Financial Analysis
20 Handbook adopted by the National Association of Insurance
21 Commissioners.



1 (b) Any reports filed pursuant to this section shall
2 include a signature of the insurance group's chief risk officer
3 or another executive responsible for the oversight of the
4 insurer's enterprise risk management process attesting, to the
5 best of the person's belief and knowledge, that:

6 (1) The insurer applies the enterprise risk management
7 process described in the own risk and solvency
8 assessment summary report; and

9 (2) A copy of the report has been provided to the
10 insurer's board of directors or the appropriate
11 committee thereof.

12 (c) An insurer may comply with subsection (a) by providing
13 the most recent and substantially similar report, which is
14 provided by the insurer or another member of an insurance group
15 of which the insurer is a member, or any combination of reports
16 that together contain the information described in the Own Risk
17 and Solvency Assessment Guidance Manual, to the commissioner of
18 another state or a supervisor or regulator of a foreign
19 jurisdiction, if that report provides information comparable to
20 that described in the Own Risk and Solvency Assessment Guidance
21 Manual. Any such report in a language other than English shall



1 be accompanied by a translation of that report into the English
2 language.

3 §431: - Exemption. (a) An insurer shall be exempt
4 from the requirements of this article if:

- 5 (1) The insurer's annual direct written and assumed
6 premium, excluding premiums reinsured with the Federal
7 Crop Insurance Corporation and National Flood
8 Insurance Program, is less than \$500,000,000; and
9 (2) The insurance group of which the insurer is a member
10 has an annual direct written and assumed premium,
11 excluding premiums reinsured with the Federal Crop
12 Insurance Corporation and National Flood Insurance
13 Program, less than \$1,000,000,000.

14 (b) If an insurer qualifies for exemption pursuant to
15 subsection (a)(1), but the insurance group of which the insurer
16 is a member does not qualify for exemption pursuant to
17 subsection (a)(2), then the own risk and solvency assessment
18 summary report required pursuant to section 431: - shall
19 include every insurer within the insurance group. This
20 requirement may be satisfied by the submission of more than one
21 own risk and solvency assessment summary report for any



1 combination of insurers, provided that any combination of
2 reports includes every insurer within the insurance group.

3 (c) If an insurer does not qualify for exemption pursuant
4 to subsection (a)(1), but the insurance group of which it is a
5 member qualifies for exemption pursuant to subsection (a)(2),
6 then the only own risk and solvency assessment summary report
7 required pursuant to section 431: - shall be the report
8 applicable to that insurer.

9 (d) An insurer that does not qualify for exemption
10 pursuant to subsection (a) may apply to the commissioner for a
11 waiver from the requirements of this article based upon unique
12 circumstances. In deciding whether to grant the insurer's
13 request for waiver, the commissioner may consider:

- 14 (1) The type and volume of business written;
15 (2) The ownership and organizational structure; and
16 (3) Any other factor the commissioner considers relevant
17 to the insurer or insurance group of which the insurer
18 is a member.

19 If the insurer is part of an insurance group with insurers
20 domiciled in more than one state, the commissioner shall
21 coordinate with the lead state commissioner and other



1 domiciliary commissioners in considering whether to grant the
2 insurer's request for a waiver.

3 (e) Notwithstanding the exemptions stated in this section:

4 (1) The commissioner may require that an insurer maintain
5 a risk management framework, conduct an own risk and
6 solvency assessment, and file an own risk and solvency
7 assessment summary report based upon unique
8 circumstances including, but not limited to, the type
9 and volume of business written, the ownership and
10 organizational structure, federal agency requests, and
11 international supervisor requests; and

12 (2) The commissioner may require that an insurer maintain
13 a risk management framework, conduct an own risk and
14 solvency assessment, and file an own risk and solvency
15 assessment summary report if the insurer:

16 (A) Has risk-based capital for company action level
17 event as set forth in section 431:3-403;

18 (B) Meets one or more of the standards of an insurer
19 deemed to be in hazardous financial condition as
20 defined in section 431:15-103.5; or



1 (C) Otherwise exhibits qualities of a troubled
2 insurer as determined by the commissioner.
3 (f) If an insurer that qualifies for an exemption pursuant
4 to subsection (a) subsequently no longer qualifies for that
5 exemption due to changes in premium, as reflected in the
6 insurer's most recent annual statement or in the most recent
7 annual statements of the insurers within the insurance group of
8 which the insurer is a member, the insurer shall have one year
9 following the year the threshold is exceeded to comply with the
10 requirements of this article.

11 §431: - Contents of own risk and solvency assessment
12 summary report. (a) The own risk and solvency assessment
13 summary report shall be prepared consistent with the Own Risk
14 and Solvency Assessment Guidance Manual, subject to the
15 requirements of subsection (b). Documentation and supporting
16 information shall be maintained and made available upon
17 examination or upon request of the commissioner.

18 (b) The review of the own risk and solvency assessment
19 summary report, and any additional requests for information,
20 shall be made using similar procedures currently used in the



1 analysis and examination of multi-state or global insurers and
2 insurance groups.

3 §431: - Confidentiality. (a) Documents, materials, or
4 other information, including the own risk and solvency
5 assessment summary report, in the possession or control of the
6 commissioner that are obtained by, created by, or disclosed to
7 the commissioner or any other person under this article are
8 recognized as proprietary and containing trade secrets.

9 All such documents, materials, or other information shall
10 be confidential by law and privileged, shall not be disclosable
11 under chapter 92F, shall not be subject to subpoena, and shall
12 not be subject to discovery or admissible in evidence in any
13 private civil action.

14 The commissioner is authorized to use the documents,
15 materials, or other information to further any regulatory or
16 legal action brought as a part of the commissioner's official
17 duties. The commissioner shall not otherwise make the
18 documents, materials, or other information public without prior
19 written consent of the insurer.

20 (b) Neither the commissioner nor any person who received
21 documents, materials, or other own risk and solvency assessment



1 information through examination or otherwise, while acting under
2 the authority of the commissioner or with whom such documents,
3 materials, or other information are shared pursuant to this
4 article, shall be permitted or required to testify in any
5 private civil action concerning any confidential documents,
6 materials, or information subject to subsection (a).

7 (c) To assist in performing the commissioner's regulatory
8 duties, the commissioner:

9 (1) May, upon request, share information subject to
10 subsection (a) and proprietary and trade secret
11 documents with:

12 (A) Other state, federal, and international financial
13 regulatory agencies; and

14 (B) Members of any supervisory college as defined in
15 section 431:11-107.5, the National Association of
16 Insurance Commissioners, and any third-party
17 consultants designated by the commissioner,

18 provided that the recipient agrees in writing to
19 maintain the confidentiality and privileged status of
20 the own risk and solvency assessment documents,
21 materials, or other information and has verified in



1 writing the legal authority to maintain
2 confidentiality;

3 (2) May receive information subject to subsection (a) and
4 proprietary and trade secret documents from regulatory
5 officials of other foreign or domestic jurisdictions,
6 including members of any supervisory college as
7 defined in section 431:11-107.5, and the National
8 Association of Insurance Commissioners. The
9 commissioner shall maintain as confidential or
10 privileged any documents, materials, or information
11 received with notice or the understanding that it is
12 confidential or privileged under the laws of the
13 jurisdiction that is the source of the document,
14 material, or information; and

15 (3) Shall enter into a written agreement with the National
16 Association of Insurance Commissioners or a third-
17 party consultant governing sharing and use of
18 information provided pursuant to this article and
19 consistent with this subsection, which shall:

20 (A) Specify procedures and protocols regarding the
21 confidentiality and security of information



1 shared with the National Association of Insurance
2 Commissioners or a third-party consultant
3 pursuant to this article, including procedures
4 and protocols for sharing by the National
5 Association of Insurance Commissioners with other
6 state regulators from states in which the
7 insurance group has domiciled insurers. The
8 agreement shall provide that the recipient agrees
9 to maintain the confidentiality and privileged
10 status of the own risk and solvency assessment
11 documents, materials, or other information and
12 has verified in writing the legal authority to
13 maintain confidentiality;

14 (B) Specify that ownership of information shared with
15 the National Association of Insurance
16 Commissioners or a third-party consultant
17 pursuant to this article remains with the
18 commissioner and that use of the information by
19 the National Association of Insurance
20 Commissioners or a third-party consultant is
21 subject to the direction of the commissioner;



- 1 (C) Prohibit the National Association of Insurance
2 Commissioners or third-party consultant from
3 storing the information shared pursuant to this
4 article in a permanent database after the
5 underlying analysis is completed;
- 6 (D) Require prompt notice to be given to an insurer
7 whose confidential information in the possession
8 of the National Association of Insurance
9 Commissioners or a third-party consultant
10 pursuant to this article is subject to a request
11 or subpoena to the National Association of
12 Insurance Commissioners or a third-party
13 consultant for disclosure or production;
- 14 (E) Require the National Association of Insurance
15 Commissioners or a third-party consultant to
16 consent to intervention by an insurer in any
17 judicial or administrative action in which the
18 National Association of Insurance Commissioners
19 or a third-party consultant may be required to
20 disclose confidential information about the
21 insurer shared with the National Association of



1 Insurance Commissioners or a third-party
2 consultant pursuant to this article; and
3 (F) In the case of an agreement involving a third-
4 party consultant, provide for the insurer's
5 written consent.

6 (d) The sharing of information and documents by the
7 commissioner pursuant to this article shall not constitute a
8 delegation of regulatory authority or rulemaking, and the
9 commissioner is solely responsible for the administration,
10 execution, and enforcement of the provisions of this article.

11 (e) No waiver of any applicable privilege or claim of
12 confidentiality in the documents, proprietary, and trade secret
13 materials or other own risk and solvency assessment information
14 shall occur as a result of disclosing any own risk and solvency
15 assessment information or documents to the commissioner pursuant
16 to this section or as a result of sharing as authorized in this
17 article.

18 (f) Documents, materials, or other information in the
19 possession or control of the National Association of Insurance
20 Commissioners or a third-party consultant pursuant to this
21 article shall be confidential by law and privileged, shall not



1 be subject to chapter 92F, shall not be subject to subpoena, and
2 shall not be subject to discovery or admissible in evidence in
3 any private civil action.

4 **§431: - Sanctions.** (a) Any insurer failing, without
5 just cause, to timely file the own risk and solvency assessment
6 summary report as required in this article shall be required,
7 after notice and hearing, to pay a penalty not less than \$100
8 and not more than \$500 for each day's delay, which shall be
9 recovered by the commissioner. Any penalty recovered pursuant
10 to this section shall be paid into the compliance resolution
11 fund.

12 (b) The maximum penalty under this section is \$50,000.
13 The commissioner may reduce the penalty if the insurer
14 demonstrates to the commissioner that imposing the penalty would
15 constitute a financial hardship to the insurer.

16 **§431: - Severability clause.** If any provision of this
17 article or its application to any person or circumstance is held
18 invalid, that determination shall not affect the provisions or
19 applications of this article that can be given effect without
20 the invalid provision or application, and to that end, the
21 provisions of this article are severable."



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PART II

SECTION 2. Section 431:19-115, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Sections 431:3-302 to 431:3-304.5, 431:3-307, 431:3-401 to [~~431:3-408,~~] 431:3-409, 431:3-411, 431:3-412, and 431:3-414; articles 1, 2, 4A, 5, 6, 9A, 9B, 9C, 11, 11A, and 15; and chapter 431K shall apply to risk retention captive insurance companies."

PART III

SECTION 3. Section 431K-1, Hawaii Revised Statutes, is amended by adding two new definitions to be appropriately inserted and to read as follows:

"Board of directors" or "board" means the governing body of the risk retention group elected by the shareholders or members to establish policy, elect or appoint officers and committees, and make other governing decisions.

"Director" means a natural person designated in the articles of the risk retention group or designated, elected, or appointed by any other manner, name, or title to act as a director."



1 SECTION 4. Section 431K-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 " ~~[+]431K-2[+]~~ Risk retention groups chartered in this
4 State. (a) A risk retention group seeking to be chartered in
5 this State shall be chartered and licensed as a liability
6 insurance company authorized by the insurance laws of this State
7 and, except as provided elsewhere in this chapter, shall comply
8 with all of the laws, rules, and requirements applicable to
9 these insurers chartered and licensed in this State and with
10 section 431K-3, to the extent these requirements are not a
11 limitation on the laws, rules, or requirements of this State.
12 Prior to offering insurance in any state, each risk retention
13 group shall also submit for approval to the commissioner ~~[of~~
14 ~~this State]~~ a plan of operation or ~~[a]~~ feasibility study and
15 revisions of such plan or study if the group intends to offer
16 any additional lines of liability insurance. Immediately upon
17 receipt of an application for charter, the commissioner shall
18 provide summary information concerning the filing to the
19 National Association of Insurance Commissioners, including:

- 20 (1) The name of the risk retention group;
- 21 (2) The identity of the initial members of the group;



1 (3) The identity of those individuals who organized the
2 group or who will provide administrative services or
3 otherwise influence or control the activities of the
4 group;

5 (4) The amount and nature of initial capitalization;

6 (5) The coverages to be afforded; and

7 (6) The states in which the group intends to operate.

8 Providing notification to the National Association of Insurance
9 Commissioners is in addition to and shall not be sufficient to
10 satisfy the requirements of section 431K-3 or any other sections
11 of this chapter.

12 (b) New risk retention groups established on or after July
13 1, 2016, shall be in compliance with the governance standards
14 set forth in subsection (c).

15 (c) By July 1, 2017, existing risk retention groups shall
16 be in compliance with the following:

17 (1) The board shall have a majority of independent
18 directors. The board of directors shall: determine
19 whether a director is independent and has no material
20 relationship with the risk retention group; review
21 such determination annually; and maintain a record of



1 the determinations, which shall be provided to the
2 commissioner annually. If the risk retention group is
3 reciprocal, then the attorney-in-fact is required to
4 adhere to the same standards regarding independence of
5 operation and governance as imposed on the risk
6 retention group's board of directors and subscribers
7 advisory committee;

8 (2) The term of any material service provider contract
9 entered into with a risk retention group shall not
10 exceed five years. The contract or its renewal
11 requires approval of a majority of the risk retention
12 group's independent directors. The board of directors
13 has the right to terminate a contract at any time for
14 cause after providing adequate notice as defined in
15 the terms of the contract. Service providers of a
16 reciprocal risk retention group shall contract with
17 the risk retention group;

18 (3) A risk retention group shall not enter into a material
19 service provider contract without the prior written
20 approval of the commissioner;



- 1 (4) A risk retention group's plan of operation shall
- 2 include written policies approved by its board of
- 3 directors requiring the board to:
- 4 (A) Provide evidence of ownership interest to each
- 5 risk retention group member;
- 6 (B) Develop governance standards applicable to the
- 7 risk retention group;
- 8 (C) Oversee the evaluation of the risk retention
- 9 group's management, including the performance of
- 10 its captive manager, managing general
- 11 underwriter, or any other person responsible for
- 12 underwriting, rate determination, premium
- 13 collection, claims adjustment and settlement, or
- 14 preparation of financial statements;
- 15 (D) Review and approve the amount to be paid under a
- 16 material service provider contract; and
- 17 (E) Review and approve at least annually:
- 18 (i) The risk retention group's goals and
- 19 objectives relevant to the compensation of
- 20 officers and service providers;



1 (ii) The performance of officers and service
2 providers as measured against the risk
3 retention group's goals and objectives; and
4 (iii) The continued engagement of officers and
5 material service providers;

6 (5) A risk retention group shall have an audit committee
7 composed of at least three independent board members.
8 A nonindependent board member may participate in the
9 committee's activities if invited to do so by the
10 audit committee, but a nonindependent board member
11 shall not serve as a committee member. The
12 commissioner may waive the requirement of an audit
13 committee if the risk retention group demonstrates to
14 the commissioner's satisfaction that having such
15 committee is impracticable and that the board of
16 directors itself is able to sufficiently perform the
17 committee's responsibilities. The audit committee
18 shall have a written charter defining its
19 responsibilities, which shall include:

20 (A) Assisting board oversight of the integrity of
21 financial statements, compliance with legal and

- 1 regulatory requirements, and qualifications,
- 2 independence, and performance of the independent
- 3 auditor or actuary;
- 4 (B) Reviewing annual audited financial statements and
- 5 quarterly financial statements with management;
- 6 (C) Reviewing annual audited financial statements
- 7 with its independent auditor and, if deemed
- 8 advisable, the risk retention group's quarterly
- 9 financial statements;
- 10 (D) Reviewing risk assessment and risk management
- 11 policies;
- 12 (E) Meeting with management, either directly or
- 13 through a designated representative of the
- 14 committee;
- 15 (F) Meeting with independent auditors, either
- 16 directly or through a designated representative
- 17 of the committee;
- 18 (G) Reviewing with the independent auditor any audit
- 19 problems and management's response;
- 20 (H) Establishing clear hiring policies applicable to
- 21 the hiring of employees or former employees of



- 1 the independent auditor by the risk retention
2 group;
- 3 (I) Requiring the independent auditor to rotate the
4 lead audit partner having primary responsibility
5 for the risk retention group's audit, as well as
6 the audit partner responsible for reviewing that
7 audit, so that neither individual performs audit
8 services for the risk retention group for more
9 than five consecutive fiscal years; and
- 10 (J) Reporting regularly to the board of directors;
- 11 (6) The board of directors shall adopt governance
12 standards, which shall be available to risk retention
13 group members through electronic or other means and,
14 upon request, provided to risk retention group
15 members. The governance standards shall include:
- 16 (A) A process by which risk retention group members
17 elect directors;
- 18 (B) Director qualifications, responsibilities, and
19 compensation;
- 20 (C) Director orientation and continuing education
21 requirements;



- 1 (D) A process allowing the board access to management
- 2 and, as necessary and appropriate, independent
- 3 advisors;
- 4 (E) Policies and procedures for management
- 5 succession; and
- 6 (F) Policies and procedures providing for an annual
- 7 performance evaluation of the board;
- 8 (7) The board of directors shall adopt a code of business
- 9 conduct and ethics applicable to directors, officers,
- 10 and employees of the risk retention group and disclose
- 11 criteria for waivers of code provisions to the board
- 12 of directors, which shall be available to risk
- 13 retention group members through electronic or other
- 14 means and, upon request, provided to risk retention
- 15 group members. Provisions of the code shall address:
- 16 (A) Conflicts of interest;
- 17 (B) Matters covered under the Hawaii corporate
- 18 opportunities doctrine;
- 19 (C) Confidentiality;
- 20 (D) Fair dealing;



- 1 (E) Protection and proper use of risk retention group
- 2 assets;
- 3 (F) Standards for complying with applicable laws,
- 4 rules, and regulations; and
- 5 (G) Mandatory reporting of illegal or unethical
- 6 behavior affecting the operation of the risk
- 7 retention group;
- 8 (8) The captive manager, president, or chief executive
- 9 officer of a risk retention group shall promptly
- 10 notify the commissioner in writing of any known
- 11 noncompliance with the governance standards
- 12 established in this subsection.
- 13 (d) For the purposes of this section:
- 14 (1) "Independent director" means a director who does not
- 15 have a material relationship with the risk retention
- 16 group. A person who is a direct or an indirect owner
- 17 of or subscriber in the risk retention group, as
- 18 referenced in the definition of "risk retention group"
- 19 in section 431K-1, or who is an officer, a director,
- 20 or an employee of the owner and insured unless some
- 21 other position of the officer, director, or employee



1 constitutes a "material relationship," is considered
2 independent. The commissioner shall have the
3 authority to determine whether or not a director is
4 independent.

5 A director has a "material relationship" with a
6 risk retention group if the director or a member of
7 the director's immediate family:

8 (A) Receives in any twelve-month period from the risk
9 retention group or a consultant or service
10 provider to the risk retention group compensation
11 or other item of value in an amount equal to or
12 greater than five per cent of the risk retention
13 group's gross written premium or two per cent of
14 the risk retention group's surplus as measured at
15 the end of any fiscal quarter falling in the
16 twelve-month period, whichever is greater. This
17 provision also applies to compensation or items
18 of value received by any business with which the
19 director or a member of the director's immediate
20 family is affiliated. The material relationship
21 shall be deemed to exist for one year after the



1 item of value is received or the compensation
2 ceases or falls below the threshold established
3 in this paragraph, as applicable.

4 (B) Is affiliated with or employed in a professional
5 capacity by a current or former internal or
6 external auditor of the risk retention group.
7 The material relationship shall be deemed to
8 exist for one year after the affiliation,
9 employment, or audit ends.

10 (C) Is employed as an executive officer of another
11 company whose board of directors includes
12 executive officers of the risk retention group
13 unless a majority of the membership of the other
14 company's board of directors is the same as the
15 membership of the board of directors of the risk
16 retention group. The material relationship shall
17 be deemed to exist for one year after the
18 employment or service ends.

19 (2) "Material service provider" includes a captive
20 manager, auditor, accountant, actuary, investment
21 advisor, attorney, managing general underwriter, or



1 other person responsible for underwriting,
2 determination of rates, premium collection, claims
3 adjustment or settlement, or preparation of financial
4 statements, whose aggregate annual contract fees are
5 equal to or greater than five per cent of the risk
6 retention group's annual gross written premium or two
7 per cent of its surplus, whichever is greater. It
8 does not mean defense counsel retained by a risk
9 retention group unless the counsel's annual fees are
10 equal to or greater than five per cent of a risk
11 retention group's annual gross premium or two per cent
12 of its surplus, whichever is greater."

13 SECTION 5. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 6. This Act shall take effect on July 1, 2112.



Report Title:

Risk Management and Own Risk and Solvency Assessment Act; Model Risk Retention Act; Captives; Insurance

Description:

Adopts the National Association of Insurance Commissioners' ("NAIC") Risk Management and Own Risk and Solvency Assessment Act; applies risk based capital supplemental provisions, severability, and notices provisions to risk retention captive insurance companies; adopts NAIC Model Risk Retention Act.
(HB2324 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

