

Bill No.: HB0007 **Effective:** 7/1/2017

LSO No.: 17LSO-0020

Enrolled Act No.: HEA No. 0021

Chapter No.: 29

Prime Sponsor: Joint Corporations, Elections & Political Subdivisions Interim Committee

Catch Title: Credit for reinsurance.

Subject: Reinsurer requirements.

Summary/Major Elements:

- This act revises requirements for insurers assuming liabilities of domestic insurers in order for those domestic insurers to count the reinsurance as an asset.
- The act provides that the Insurance Commissioner may reduce an assuming insurer's reserve requirements when that insurer maintains a trust in a United States financial institution qualified by the Insurance Commissioner and has stopped underwriting new business secured by the trust for at least three years.
- The act grants discretion to the Insurance Commissioner to allow domestic insurers to take credit for reinsurance purchased from reinsurers who the Commissioner determines meet certain eligibility criteria, without posting 100% collateral as required under current law. The eligibility criteria include:
 - Licensure and domiciliary requirements;
 - Minimum capital and surplus requirements;
 - Security instrument requirements;
 - Financial strength rating requirements; and
 - Agreeing to submit to Wyoming's jurisdiction and to provide 100% collateral for its liabilities if it resists the enforcement of a final judgment in the United States.
- The act provides procedures for revocation and suspension of reinsurers that cease to meet requirements for certification.
- The act creates notification requirements for reinsurers when reinsurance recoverables exceed or are likely to exceed specified limits.
- The act provides related rulemaking authority to the Insurance Commissioner.

The above summary is not an official publication of the Wyoming Legislature and is not an official statement of legislative intent. While the Legislative Service Office endeavored to provide accurate information in this summary, it should not be relied upon as a comprehensive abstract of the bill.
