

HB 632 -- INSURANCE HOLDING COMPANIES

SPONSOR: Shull (16)

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Insurance Policy by a vote of 15 to 0. Voted "Do Pass" by the Committee on Rules-Administrative Oversight by a vote of 7 to 0.

This bill modifies law by defining an "internationally active insurance group," as an insurer licensed in Missouri that writes premiums in at least three countries, and averages total assets of at least \$50 billion or has gross written premium of at least \$10 billion. The bill further authorizes the Director of the Department of Insurance, within the Department of Insurance, Financial Institution and Professional Registration, to act as a group wide supervisor or specifies how the director is to determine or acknowledge another regulator as the group wide supervisor. In addition, the bill allows the director to enter into agreements with or obtain information from both insurers and other regulators in order to ensure that internationally active insurance groups are able to timely recognize and mitigate enterprise risks.

This is model legislation developed through the National Association of Insurance Commissioners (NAIC) and allows the insurance industry a reduced cost of regulatory compliance.

PROPONENTS: Supporters say that this bill is model legislation from the National Association of Insurance Commissioners that will make the Department of Insurance accredited for auditing and regulating these companies and to share that information with other regulators in other states so that those regulators will not have to do their own audit of the same company; they can just use the audit from the state in which the company resides.

Testifying for the bill were Representative Shull; Shelter Insurance; Missouri Insurance Coalition; Missouri Department of Insurance; Will Rearden, Reinsurance Group of America; John Rehagen, Missouri Department of Insurance; and SwissRe.

OPPONENTS: There was no opposition voiced to the committee.