

CCS HCS SB 54 -- INSURANCE COMPANIES

INTEREST RATES ON PAYMENTS

Currently, if an insurance company is required to pay interest on any claims, refunds, penalties, or payments pursuant to a market conduct examination, investigation, stipulation of settlement agreement, voluntary forfeiture agreement, or any other remedial action ordered by the Department of Insurance, Financial Institutions and Professional Registration, such funds shall bear interest at the annual adjusted prime interest rate, in an amount not to exceed 9% per year. This rate does not apply to payments subject to a statute in which an interest rate is otherwise specified, including the prompt payment statute.

This bill specifies that interest payments made voluntarily shall be subject to this interest rate as well.

INSURANCE HOLDING COMPANIES

This bill regulates internationally active insurance groups. The bill defines an "internationally active insurance group," as an insurer licensed in Missouri that writes premiums in at least three countries, whose gross premiums written outside of the United State are at least 10% of its total gross written premiums, and whose total assets are at least \$50 billion or has gross written premiums of at least \$10 billion.

The bill authorizes the Director of the Department of Insurance, within the Department of Insurance, Financial Institutions and Professional Registration to act as a group wide supervisor and 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.