

HB 2440 -- DISPOSITION OF CERTAIN REINSURANCE CONTRACTS

SPONSOR: Christofanelli

This bill outlines the disposition of certain reinsurance contracts for policies of life or health insurance and annuities in the event the insurance company that issued that policy goes insolvent.

This bill specifies the rights and obligations of the insurer, the reinsurer, the guaranty association, and the receiver with respect to reinsurance contracts covering policies of life or health insurance or annuities in different scenarios of conservation, rehabilitation, or liquidation proceedings.

The bill allows a guaranty association covering policies of life or health insurance or annuities to elect to assume the reinsurance contracts within 180 days of the order of liquidation. If the reinsurance contracts are not assumed, they are terminated retroactively and a settlement amount is calculated and a settlement is decided by the reinsurer and the receiver. The bill outlines how the reinsurer and receiver will determine the settlement amount.