

Amendment Summary

A07099 (White)

COMMITTEE: Banking and Insurance

DATE: 5/17/16

PRIME SPONSOR: Pickett

BILL NO: HB 1766

PREPARED BY: Carlton Logue

PRINTER'S NO: 2945

Includes several changes to ensure the bill is compliant with the national PBR model.

The language of the “small company exemption” would be amended to:

- (1) Change the \$100 million maximum life premium criteria for individual companies to \$300 million per individual company and \$600 million per group;
- (2) Add a threshold of 450% minimum risk-based capital for insurers; and
- (3) Provide that fraternal benefit societies with less than \$50 million life premium would be eligible for exemption without regard to risk-based capital; and
- (4) Include a requirement that the appointed actuary provide an “unqualified” opinion on reserves, (i.e., the annual statement actuarial opinion does not contain any qualifications as to the reported reserves).

Clarifies that exempted small companies will still be using the CSO mortality tables in Section 20 of the Valuation Manual (VM-20), even though they are not otherwise subject to VM-20.

Changes the effective date from 30 days to immediately.