

STATEMENT OF PURPOSE

RS24924

This legislation is based on the National Association of Insurance Commissioners (NAIC) Credit for Reinsurance Model Law (#785). Idaho already has some provisions from this model law in existing code setting forth conditions when ceding insurers may take credit for reinsurance. The revisions will reduce collateral requirements for non-U.S. licensed reinsurers that are licensed and domiciled in qualified jurisdictions. This in turn will make reinsurance more affordable for U.S. insurers while still maintaining necessary protections. This model law will also be required for accreditation of the Idaho Department of Insurance by the NAIC. Accreditation is important to maintain for consistent, streamlined, and fair regulation of insurers.

FISCAL NOTE

There is no fiscal impact to the General Fund or any other state fund or expenditure as the implementation of this legislation will require no additional effort by the Department other than the drafting of rules. To the extent the state or any government entity purchases reinsurance, passage of this legislation should lead to a reduction in cost or a positive fiscal impact.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).