

SENATE BILL 928

C4

3lr2982

By: **Senator Griffith**

Introduced and read first time: February 16, 2023

Assigned to: Rules

Re-referred to: Finance, March 3, 2023

Committee Report: Favorable

Senate action: Adopted

Read second time: March 9, 2023

CHAPTER _____

1 AN ACT concerning

2 **Insurance – Credit for Reinsurance Model Law – Reciprocal Jurisdictions**

3 FOR the purpose of prohibiting the Maryland Insurance Commissioner from removing from
4 a certain list of reciprocal jurisdictions created and published by the Commissioner
5 certain jurisdictions located outside the United States and certain jurisdictions in
6 the United States that meet certain accreditation requirements; and generally
7 relating to insurance and reinsurance.

8 BY repealing and reenacting, without amendments,
9 Article – Insurance
10 Section 5–901(a) and (g)(1) and (2)
11 Annotated Code of Maryland
12 (2017 Replacement Volume and 2022 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Insurance
15 Section 5–917(b)
16 Annotated Code of Maryland
17 (2017 Replacement Volume and 2022 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
19 That the Laws of Maryland read as follows:

20 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 5–901.

2 (a) In this subtitle the following words have the meanings indicated.

3 (g) “Reciprocal jurisdiction” means a jurisdiction that is:

4 (1) a jurisdiction outside the United States that:

5 (i) is subject to an in–force covered agreement with the United
6 States, each within its legal authority; or

7 (ii) in the case of a covered agreement between the United States
8 and the European Union, is a member state of the European Union;

9 (2) a jurisdiction in the United States that meets the requirements for
10 accreditation under the NAIC financial standards and accreditation program; or

11 5–917.

12 (b) (1) The Commissioner shall timely create and publish a list of reciprocal
13 jurisdictions.

14 (2) The Commissioner’s list shall:

15 (i) include any reciprocal jurisdiction as defined in § 5–901(g)(1) and
16 (2) of this subtitle; and

17 (ii) consider any other reciprocal jurisdiction included on the NAIC
18 list of reciprocal jurisdictions published through the NAIC committee process.

19 (3) The Commissioner may approve a jurisdiction that does not appear on
20 the NAIC list of reciprocal jurisdictions in accordance with regulations the Commissioner
21 adopts.

22 (4) (i) The Commissioner may not remove a jurisdiction that meets the
23 requirements of a reciprocal jurisdiction from the list of reciprocal jurisdictions.

24 (ii) **1. [The] EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2**
25 **OF THIS SUBPARAGRAPH, THE** Commissioner may remove a jurisdiction from the list of
26 reciprocal jurisdictions on a determination that the jurisdiction no longer meets the
27 requirements of a reciprocal jurisdiction in accordance with a process set forth in
28 regulations the Commissioner adopts.

29 **2. THE COMMISSIONER MAY NOT REMOVE FROM THE**
30 **LIST OF RECIPROCAL JURISDICTIONS A JURISDICTION AS DEFINED IN § 5–901(G)(1)**
31 **OR (2) OF THIS SUBTITLE.**

1 (5) On removal of a jurisdiction from the list of reciprocal jurisdictions,
2 credit for reinsurance ceded to an assuming insurer that has its home office or is domiciled
3 in that jurisdiction shall be allowed, if otherwise allowed under this subtitle.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.