
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Cooper.

DIGEST

SB 104 Original

2016 Regular Session

John Smith

Present law provides for credit for reinsurance ceded by domestic insurers in accordance with the National Association of Insurance Commissioners (NAIC) Model Credit for Reinsurance Law.

Proposed law retains present law and adds provisions recently added to the NAIC Model Credit for Reinsurance Law.

Proposed law provides that the commissioner may adopt by regulation specific additional requirements relating to or setting forth the valuation of assets or reserve credits, the amount and forms of security supporting reinsurance arrangements, or the circumstances pursuant to which credit will be reduced or eliminated.

Present law provides for the commissioner of insurance to promulgate rules and regulations in accordance with the Administrative Procedure Act.

Proposed law retains present law and further provides that the commissioner may adopt rules and regulations applicable to the following reinsurance arrangements:

- (1) An adopted regulation may apply only to reinsurance relating to any or all of the following:
 - (a) Life insurance policies with guaranteed nonlevel gross premiums or guaranteed nonlevel benefits.
 - (b) Universal life insurance policies with provisions resulting in the ability of a policyholder to keep a policy in force over a secondary guarantee period.
 - (c) Variable annuities with guaranteed death or living benefits.
 - (d) Long-term care insurance policies.
 - (e) Such other life and health insurance and annuity products as to which the NAIC adopts model regulatory requirements with respect to credit for reinsurance.
- (2) Proposed law further provides that a regulation adopted pursuant to proposed law may apply to any treaty containing policies issued on or after January 1, 2015, or policies issued prior to January 1, 2015, if risk pertaining to such pre-2015 policies is ceded in connection with the treaty, in whole or in part, on or after January 1, 2015.

Effective August 1, 2016.

(Amends R.S. 22:651(A), 652, and 661)