



## SB 1216 (Introduced by Senator Lowenthal): Relating to Reinsurance: Professional Reinsurers.

### RIMS Supports



**Status:** Introduced 2/22/2012. Referred to Committee on Insurance 3/1/2012.

**Bill Summary:** This bill requires that credit for reinsurance not be denied a foreign ceding insurer to the extent that credit is recognized by the ceding insurer's domestic state regulator, provided that the domestic state is accredited by the NAIC, or the domestic state regulator has financial solvency requirements similar to the requirements necessary for NAIC accreditation. It also authorizes the Insurance Commissioner to grant a certificate of authority to transact reinsurance to an insurer admitted and domiciled in the state, or an insurer applying to become admitted and domiciled in the state under certain conditions.

**RIMS Position:** RIMS supports this legislation as it brings California reinsurance statutes in line with reinsurance reforms made in the federal Dodd-Frank legislation. By eliminating extraterritorial provisions of the existing credit for reinsurance legislation, reinsurers may find it easier to operate in the state of California. This will help to increase reinsurance capacity within the state which RIMS consistently supports.

RIMS understands that SB 1216 is undergoing modification as it proceeds through the legislative process but supports advancement of the legislation. SB 1216 is also supported by organizations representing reinsurers.

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