



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1195

PRINTERS NO. 2041

PRIME SPONSOR: Scavello

COST / (SAVINGS)

| FUND | FY 2020/21 | FY 2021/22 |
|--------------|------------|------------|
| General Fund | \$0 | \$0 |

SUMMARY:

Senate Bill 1195 amends the Insurance Company Law of 1921 concerning reinsurance and the Life and Health Insurance Guaranty Association. It would take effect immediately.

ANALYSIS:

Senate Bill 1195 amends the Insurance Company Law of 1921 concerning reinsurance credits, credit for reinsurance and reciprocal jurisdiction, and the Life and Health Insurance Guaranty Association.

Concerning reinsurance credits, this legislation authorizes a domestic ceding insurer to take a credit for reinsurance as either an asset or reduction from liability based on the reinsurance ceded.

Relative to credit for reinsurance and reciprocal jurisdiction, this legislation mandates that reinsurers maintain a consistent collateral level for United States claims.

Concerning the Life and Health Insurance Guaranty Association, this legislation mandates equally divided liability for any long-term care insurance insolvency between life and health insurers to ensure adequate funding for any life and health insurance insolvency.

FISCAL IMPACT:

Enactment of this legislation will have no adverse impact on Commonwealth funds.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: October 21, 2020

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.