

CHAPTER 218
HB 343 - FINAL VERSION

05/31/2017 1992s

2017 SESSION

17-0727
01/05

HOUSE BILL **343**

AN ACT relative to disapproval of forms and authorizing the insurance commissioner to retain certain independent specialists.

SPONSORS: Rep. Hunt, Ches. 11; Rep. Luneau, Merr. 10; Rep. Butler, Carr. 7; Sen. Feltes, Dist 15

COMMITTEE: Commerce and Consumer Affairs

AMENDED ANALYSIS

This bill declares that before a life insurance policy or annuity is sold to the public, the form must be approved by the insurance commissioner. This bill also authorizes the insurance commissioner to retain independent specialists to assist in certain duties of the insurance department.

This bill is a request of the insurance department.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struck through.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Seventeen

AN ACT relative to disapproval of forms and authorizing the insurance commissioner to retain certain independent specialists.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 218:1 Life Insurance; Disapproval of Forms; Individual Policies. Amend RSA 408:2-c to read as
2 follows:

3 408:2-c Disapproval of Forms; Individual Policies.

4 I. ***No policy shall be issued or delivered to any person in this state until a copy of***
5 ***the form thereof has been submitted to the commissioner for review under state law and***
6 ***such reasonable rules and regulations as the commissioner shall make concerning the***
7 ***provisions in such contracts and their submission for approval.***

8 II. The commissioner may, within 30 days after the filing of any such form, disapprove such
9 form:

10 (a) If it contains a provision which is unjust, unfair, inequitable, misleading, deceptive,
11 or encourages misrepresentation of such policy; or

12 (b) If it does not comply with the requirements of Title XXXVII.

13 [H:] III. If the commissioner notifies the insurer which has filed any such form that it does
14 not comply with the provisions of this chapter, it shall be unlawful thereafter for the insurer to
15 issue the form or use it in connection with any policy. In the notice, the commissioner shall specify
16 the reasons for ~~his or her~~ disapproval and state that a hearing shall be granted within 20 days
17 after request in writing by the insurer.

18 218:2 Life Insurance; Disapproval of Forms; Group Policies. Amend RSA 408:16-d to read as
19 follows:

20 408:16-d Disapproval of Forms.

21 I. ***No policy shall be issued or delivered to any person in this state until a copy of***
22 ***the form thereof has been submitted to the commissioner for review under state law and***
23 ***such reasonable rules and regulations as the commissioner shall make concerning the***
24 ***provisions in such contracts and their submission for approval.***

25 II. The commissioner may, within 30 days after the filing of any such form, disapprove such
26 form:

27 (a) If it contains a provision or provisions which are unjust, unfair, inequitable,
28 misleading, deceptive, or encourage misrepresentation of such policy; or

29 (b) If it does not comply with the requirements of title XXXVII.

30 [H:] III. If the commissioner notifies the insurer which has filed any such form that it does

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1 not comply with the provisions of this chapter, it shall be unlawful thereafter for the insurer to
2 issue the form or use it in connection with any policy. In the notice the commissioner shall specify
3 the reasons for ~~[his or her]~~ disapproval and state that a hearing shall be granted within 20 days
4 after request in writing by the insurer.

5 218:3 New Paragraph; Insurance Department; Staffing. Amend RSA 400-A:10 by inserting
6 after paragraph II the following new paragraph:

7 III. If necessary to ensure the timely review of rates and forms submitted for approval
8 under Title XXXVII, the commissioner may retain, without appropriation under RSA 9 and without
9 qualifying as a department expenditure under RSA 4:15, independent actuaries or other
10 professionals or specialists as reviewers, the cost of which shall be borne by the regulated entity
11 whose rates or forms are the subject of the review. The entity shall pay the retained professional or
12 specialists directly for their costs. The commissioner shall conduct oversight of such independent
13 reviewers in a manner that is consistent with standards for the use of independent reviewers
14 established by the National Association of Insurance Commissioners in its Financial Condition
15 Examiners Handbook and Market Regulation Handbook and shall ensure that costs are reasonable
16 for the work performed. The amount paid by the company under this paragraph in any fiscal year
17 shall be applied as a nontransferable credit against the company's administrative fee under RSA
18 400-A:39 in the subsequent fiscal year and shall carry forward in future fiscal years as applicable.

19 218:4 New Paragraph; Insurance Department; Financial Disclosure Statement. Amend RSA
20 400-A:36 by inserting after paragraph IX the following new paragraph:

21 X. The commissioner may retain, without appropriation under RSA 9 and without
22 qualifying as a department expenditure under RSA 4:15, attorneys, independent actuaries,
23 independent certified public accountants, or other professionals or specialists to review financial
24 statements, the cost of which shall be borne by the company which is the subject of the financial
25 analysis. The company shall pay the retained professional or specialists directly for their costs.
26 The commissioner shall conduct oversight of such independent reviewers in a manner that is
27 consistent with standards for the use of independent reviewers established by the National
28 Association of Insurance Commissioners in its Financial Condition Examiners Handbook and
29 Market Regulation Handbook and shall ensure that costs are reasonable for the work performed.
30 The amount paid by the company under this paragraph in any fiscal year shall be applied as a
31 nontransferable credit against the company's administrative fee under RSA 400-A:39 in the
32 subsequent fiscal year and shall carry forward in future fiscal years as applicable.

33 218:5 Insurance Department; Administration Fund. Amend RSA 400-A:39, VI(f) to read as
34 follows:

35 (f) For each such insurer, the commissioner shall multiply the percent ascertained for it
36 under subparagraph (e) by the *sum of the* amount indicated by paragraph V *plus all credits*
37 *applied pursuant to RSA 400-A:10, III, RSA 400-A:36, X, or RSA 401-C:7, II.* The amount

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1 resulting, *less any credits for which the insurer is eligible under RSA 400-A:10, III, RSA*
2 *400-A:36, X, or RSA 401-C:7, II*, shall be the administrative fee for such insurer, provided that the
3 minimum administrative fee payable by any such insurer shall be \$100.

4 218:6 Insurance Department; Insurance Holding Companies. Amend RSA 401-B:9 to read as
5 follows:

6 401-B:9 Rules and Orders. The commissioner may, upon notice and opportunity for all
7 interested persons to be heard, issue such rules and orders as shall be necessary to carry out the
8 provisions of this chapter. *To assist in the review of any transaction, or to otherwise*
9 *determine compliance with this chapter, the commissioner may retain, without*
10 *appropriation under RSA 9 and without qualifying as a department expenditure under*
11 *RSA 4:15, attorneys, appraisers, independent actuaries, independent certified public*
12 *accountants, or other professionals and specialists, the cost of which shall be borne by the*
13 *company subject to such review. The company shall pay the retained professional or*
14 *specialists directly for their costs. The commissioner shall conduct oversight of such*
15 *independent reviewers in a manner that is consistent with standards for the use of*
16 *independent reviewers established by the National Association of Insurance*
17 *Commissioners in its Financial Condition Examiners Handbook and Market Regulation*
18 *Handbook and shall ensure that costs are reasonable for the work performed.*

19 218:7 Insurance Department; Contents of ORSA Summary Report. Amend RSA 401-C:7, II to
20 read as follows:

21 II. The review of the ORSA summary report, and any additional requests for information,
22 shall be made using similar procedures currently used in the analysis and examination of multi-
23 state or global insurers and insurance groups. *To assist in the review of ORSA summary*
24 *reports, the commissioner may retain, without appropriation under RSA 9 and without*
25 *qualifying as a department expenditure under RSA 4:15, attorneys, appraisers,*
26 *independent actuaries, independent certified public accountants, or other professionals*
27 *and specialists, the cost of which shall be borne by the company subject to such review.*
28 *The company shall pay the retained professional or specialists directly for their costs. The*
29 *commissioner shall conduct oversight of such independent reviewers in a manner that is*
30 *consistent with standards for the use of independent reviewers established by the National*
31 *Association of Insurance Commissioners in its Financial Condition Examiners Handbook*
32 *and Market Regulation Handbook and shall ensure that costs are reasonable for the work*
33 *performed. The amount paid by the company under this paragraph in any fiscal year*
34 *shall be applied as a nontransferable credit against the company's administrative fee*
35 *under RSA 400-A:39 in the subsequent fiscal year and shall carry forward in future fiscal*
36 *years as applicable.*

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218:8 Effective Date. This act shall take effect upon its passage.

Approved: July 10, 2017

Effective Date: July 10, 2017