

CHAPTER 183
SB 17 - FINAL VERSION

2019 SESSION

19-0967
01/04

SENATE BILL ***17***

AN ACT relative to financial regulation technicals under insurance law.

SPONSORS: Sen. French, Dist 7

COMMITTEE: Commerce

ANALYSIS

This bill makes certain technical changes in insurance law relative to financial regulation.

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 struckthrough]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Nineteen

AN ACT relative to financial regulation technicals under insurance law.

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

1 183:1 Insurance Department; Annual Financial Statement. Amend RSA 400-A:36, I to read as
2 follows:

3 I. Every insurance company doing business in this state shall, on or before March 1 each
4 year, make and file or transmit to the commissioner a statement under oath of its president and
5 secretary, in accordance with the National Association of Insurance Commissioners Annual
6 Statement Blank following the National Association of Insurance Commissioners Annual Statement
7 Instructions and those accounting procedures and practices prescribed by the National Association of
8 Insurance Commissioners Accounting Practices and Procedure Manual ***or allowed as a permitted***
9 ***accounting practice as provided in the manual***, showing the amount of its capital stock, assets,
10 liabilities, outstanding risks, premium notes, receipts, expenditures, losses, assessments, salaries
11 and emoluments, and any other information calculated to fully disclose the condition and method of
12 management of the company for the year ending the preceding December 31, which statement shall
13 include the whole amount of premiums written during the preceding year for insurance on property,
14 or risks located or persons resident in this state.

15 183:2 Insurance Department; Filing Requirements. Amend RSA 400-A:36-a, I to read as
16 follows:

17 I. Each domestic, foreign, and alien insurer who transacts insurance in this state shall
18 annually on or before March 1 of each year, file with ~~[or transmit to]~~ the National Association of
19 Insurance Commissioners a ***portable document format (pdf)*** copy ~~[and diskette]~~ of its annual
20 statement convention blank, along with such additional filings as prescribed by the commissioner for
21 the preceding year, and a ***pdf*** copy ~~[and diskette]~~ of all subsequent quarterly statements. The
22 information filed with or transmitted to the National Association of Insurance Commissioners shall
23 be in the same format and scope as that required by the commissioner and following those
24 accounting procedures and practices prescribed by the National Association of Insurance
25 Commissioners Accounting Practices and Procedure Manual, and shall include the signed jurat page
26 and, if required by any state in which the insurer transacts business, the actuarial certification. Any
27 amendments and addenda to the annual statement filing subsequently filed with or transmitted to
28 the commissioner shall also be filed with or transmitted to the National Association of Insurance
29 Commissioners.

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1 183:3 Insurance Holding Companies; Standards and Management of an Insurer Within a
2 Holding Company System. Amend RSA 401-B:5, I(b) to read as follows:

3 (b) The following transactions involving a domestic insurer and any person in its holding
4 company system, including amendments or modifications of affiliate agreements previously filed
5 pursuant to this section, which are subject to any materiality standards contained in RSA 401-B:5,
6 I[-VH](b)(1)-(7), may not be entered into unless the insurer has notified the commissioner in writing
7 of its intention to enter into the transaction at least 30 days prior thereto, or such shorter period as
8 the commissioner may permit, and the commissioner has not disapproved it within such period. The
9 notice for amendments or modifications shall include the reasons for the change and the financial
10 impact on the domestic insurer. Informal notice shall be reported, within 30 days after a
11 termination of a previously filed agreement, to the commissioner for determination of the type of
12 filing required, if any.

13 183:4 Risk-Based Capital for Insurers; Company Level Event. Amend RSA 404-F:3, I(a)(3) to
14 read as follows:

15 (3) If a property and casualty insurer ***or health organization***, the insurer has total
16 adjusted capital which is greater than or equal to its company action level RBC but less than the
17 product of its authorized control level RBC and 3.0 and triggers the trend test determined in
18 accordance with the trend test calculation included in the property and casualty RBC instructions;

19 183:5 Risk-Based Capital; Mandatory Control Level Event. Amend RSA 404-F:6, II(a) to read as
20 follows:

21 (a) With respect to a life and/or health insurer ***or health organization***, the
22 commissioner shall take such actions as are necessary to place the insurer under regulatory control
23 under RSA 402-C. In that event, the mandatory control level event shall be deemed sufficient
24 grounds for the commissioner to take action under RSA 402-C, and the commissioner shall have the
25 rights, powers, and duties with respect to the insurer as are set forth in RSA 402-C. If the
26 commissioner takes actions pursuant to an adjusted RBC report, the insurer shall be entitled to the
27 protections of RSA 402-C:11-14 pertaining to summary proceedings. Notwithstanding any of the
28 foregoing, the commissioner may forego action for up to 90 days after the mandatory control level
29 event if the commissioner finds there is a reasonable expectation that the mandatory control level
30 event may be eliminated within the 90-day period.

183:6 Effective Date. This act shall take effect 60 days after its passage.
Approved: July 10, 2019
Effective Date: September 08, 2019