

# Bill Summary

**COMMITTEE:** Banking and Insurance

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**PRIME SPONSOR:** D. White

**BILL NO:** SB1464

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## **A. Synopsis:**

SB1464 amends Article XIV of The Insurance Company Law of 1921 (P.L. 682, No. 284), known as the Insurance Holding Companies Law, 40 P.S. §§ 991.1401 - 991.1413, to reflect changes made to corresponding National Association of Insurance Commissioners (NAIC) model legislation and provide for group-wide supervision of internationally active, multi-jurisdictional insurance groups.

## **B. Summary:**

In the aftermath of the federal government's rescue of troubled financial institutions, including American International Group (AIG), the NAIC formed a working group to evaluate the dynamics of the economic downturn, its impact on insurers and how state regulation of large insurer groups could be improved. The results of this initiative include proposed updates to NAIC model legislation and regulations relating to insurance holding company systems. The amended models, which were adopted by the NAIC in December 2010, were enacted in response to the perceived risk to insurance company entities from non-regulated entities within their holding company structure.

The purpose of SB1464 is to enable the Insurance Department to better assess the "enterprise risk" within a holding company system and its impact upon the insurers within that group. These amendments provide several additional tools that will enhance the regulation of insurer groups including mechanisms to:

- 1) enhance communication between regulators;
- 2) establish supervisory colleges;
- 3) facilitate group-wide supervision of multi-jurisdictional insurance groups;
- 4) access and collect information; and
- 5) provide for enforcement measures.