

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business Affairs & Labor.

HB24-1321 be amended as follows:

1 Amend printed bill, page 16, strike lines 25 through 27.

2 Page 17, strike lines 1 through 13 and substitute:

3       **"SECTION 5.** In Colorado Revised Statutes, **amend** 10-3-705 as  
4 follows:

5       **10-3-705. Rules.** (1) The commissioner may adopt rules  
6 implementing this part 7.

7       (2) (a) THE COMMISSIONER MAY ADOPT RULES APPLICABLE TO  
8 REINSURANCE ARRANGEMENTS DESCRIBED IN THIS SUBSECTION (2)(a).  
9 RULES ADOPTED PURSUANT TO THIS SUBSECTION (2) MUST APPLY ONLY TO  
10 REINSURANCE RELATING TO:

11       (I) LIFE INSURANCE POLICIES WITH GUARANTEED NONLEVEL GROSS  
12 PREMIUMS OR GUARANTEED NONLEVEL BENEFITS;

13       (II) UNIVERSAL LIFE INSURANCE POLICIES WITH PROVISIONS  
14 RESULTING IN THE ABILITY OF A POLICYHOLDER TO KEEP A POLICY IN  
15 FORCE OVER A SECONDARY GUARANTEE PERIOD;

16       (III) VARIABLE ANNUITIES WITH GUARANTEED DEATH OR LIVING  
17 BENEFITS;

18       (IV) LONG-TERM CARE INSURANCE POLICIES; OR

19       (V) OTHER LIFE AND HEALTH INSURANCE AND ANNUITY PRODUCTS  
20 AS TO WHICH THE NAIC ADOPTS MODEL REGULATORY REQUIREMENTS  
21 WITH RESPECT TO CREDIT FOR REINSURANCE.

22       (b) A RULE ADOPTED PURSUANT TO SUBSECTION (2)(a)(I) OR  
23 (2)(a)(II) OF THIS SECTION MUST APPLY TO ANY TREATY CONTAINING:

24       (I) POLICIES ISSUED ON OR AFTER JANUARY 1, 2015; OR

25       (II) POLICIES ISSUED PRIOR TO JANUARY 1, 2015, IF RISK  
26 PERTAINING TO PRE-2015 POLICIES IS CEDED IN CONNECTION WITH THE  
27 TREATY, IN WHOLE OR IN PART, ON OR AFTER JANUARY 1, 2015.

28       (c) A RULE ADOPTED PURSUANT THIS SUBSECTION (2) MAY  
29 REQUIRE THE CEDING INSURER, IN CALCULATING THE AMOUNTS OR FORMS  
30 OF SECURITY REQUIRED TO BE HELD UNDER RULES PROMULGATED UNDER  
31 THIS SUBSECTION (2), TO USE THE VALUATION MANUAL ADOPTED BY THE  
32 NAIC UNDER THE NAIC STANDARD VALUATION LAW, INCLUDING ALL  
33 AMENDMENTS ADOPTED BY THE NAIC AND IN EFFECT ON THE DATE ON  
34 WHICH THE CALCULATION IS MADE, TO THE EXTENT APPLICABLE.

35       (d) A RULE ADOPTED PURSUANT TO THIS SUBSECTION (2) DOES NOT  
36 APPLY TO CESSIONS TO AN ASSUMING INSURER THAT:

37       (I) (A) MEETS THE CONDITIONS SET FORTH IN SECTION 10-3-702  
38 (6.5);

39       (B) IS CERTIFIED IN THIS STATE; OR

1 (C) MAINTAINS AT LEAST TWO HUNDRED FIFTY MILLION DOLLARS  
2 IN CAPITAL AND SURPLUS WHEN CALCULATED IN ACCORDANCE WITH THE  
3 MOST RECENT NAIC ACCOUNTING PRACTICES AND PROCEDURES MANUAL,  
4 AS AMENDED BY THE NAIC, EXCLUDING THE IMPACT OF ANY PERMITTED  
5 OR PRESCRIBED PRACTICES; AND

6 (II) IS LICENSED:

7 (A) IN AT LEAST TWENTY-SIX STATES; OR

8                   (B) IN AT LEAST TEN STATES AND LICENSED OR ACCREDITED IN A  
9                   TOTAL OF AT LEAST THIRTY-FIVE STATES.

10 (e) THE AUTHORITY TO ADOPT RULES PURSUANT TO THIS  
11 SUBSECTION (2) DOES NOT LIMIT THE COMMISSIONER'S GENERAL  
12 AUTHORITY TO ADOPT RULES PURSUANT TO SUBSECTION (1) OF THIS  
13 SECTION.

14 (f) AS USED IN THIS SUBSECTION (2), "NAIC" MEANS THE  
15 NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS.".

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