

MAINE STATE LEGISLATURE

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Date: 6/7/07

L.D. 1390

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INSURANCE AND FINANCIAL SERVICES

4

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STATE OF MAINE

6

HOUSE OF REPRESENTATIVES

7

123RD LEGISLATURE

8

FIRST REGULAR SESSION

9

COMMITTEE AMENDMENT "A" to H.P. 982, L.D. 1390, Bill, "An Act Related
10 to Special Purpose Reinsurance Vehicles"

11

Amend the bill by inserting after the title the following:

12

'Emergency preamble. Whereas, acts and resolves of the Legislature do not
13 become effective until 90 days after adjournment unless enacted as emergencies; and

14

Whereas, current law imposes outdated restrictions that hinder the ability of a
15 Maine domestic insurer to form special purpose reinsurance vehicles; and

16

Whereas, due to these restrictions, market conditions cause a Maine domestic
17 insurer to seek authorization for special purpose reinsurance vehicles in other states; and

18

Whereas, this legislation authorizes the establishment of special purpose
19 reinsurance vehicles by Maine domestic insurers with the approval of the Superintendent
20 of Insurance; and

21

Whereas, in the judgment of the Legislature, these facts create an emergency within
22 the meaning of the Constitution of Maine and require the following legislation as
23 immediately necessary for the preservation of the public peace, health and safety; now,
24 therefore,'

25

Amend the bill by striking out everything after the enacting clause and before the
26 summary and inserting the following:

27

'Sec. 1. 24-A MRSA §731-B, sub-§1, ¶A, as amended by PL 2003, c. 249, §1, is
28 further amended to read:

29

A. Is licensed to transact insurance or reinsurance in this State, provided the
30 assuming insurer maintains surplus as regards policyholders in an amount not less
31 than the sum of paid-in capital stock, if any, and surplus as otherwise required for a
32 certificate of authority for the kinds and amount of insurance and assumed
33 reinsurance the insurer has in force net of any applicable ceded reinsurance. If the

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1 assuming insurer is licensed as a special purpose reinsurance vehicle pursuant to
2 section 782 and maintains capital and surplus in accordance with the requirements of
3 section 787, credit for reinsurance under a special purpose reinsurance vehicle
4 contract, as defined in section 781, subsection 15, is allowed only to the extent that:

5 (1) The fair value of the assets held ~~in trust~~ by or for the benefit of the ceding
6 insurer equals or exceeds the obligations due and payable to the ceding insurer by
7 the special purpose reinsurance vehicle under the special purpose reinsurance
8 vehicle contract;

9 (2) The assets are held ~~in trust~~ in accordance with the requirements in
10 subchapter 6;

11 (3) The assets are administered in the manner and pursuant to arrangements
12 under subchapter 6;

13 (4) The assets are held or invested in one or more of the forms allowed in
14 section 795; and

15 (5) The contract complies with all other relevant requirements of subchapter 6;

16 **Sec. 2. 24-A MRSA §781, sub-§7**, as enacted by PL 2003, c. 249, §2, is amended
17 to read:

18 **7. Fully funded.** "Fully funded" means, with respect to a special purpose
19 reinsurance vehicle contract, that the fair value of the assets under the control of the
20 ceding insurer or held in trust by or on behalf for the benefit of the ~~special purpose~~
21 ~~reinsurance vehicle~~ ceding insurer under the special purpose reinsurance vehicle contract
22 on the date on which the special purpose reinsurance vehicle contract is effected, equals
23 or exceeds the aggregate limit as defined in ~~this subchapter~~ subsection 1.

24 **Sec. 3. 24-A MRSA §781, sub-§7-A** is enacted to read:

25 **7-A. Impairment.** "Impairment" or "impaired" means, with respect to a special
26 purpose reinsurance vehicle or any of its protected cells, that either:

27 A. The available capital of the special purpose reinsurance vehicle or protected cell
28 has fallen below the applicable initial capital requirement without the approval of the
29 superintendent; or

30 B. The fair value of the assets under the control of the ceding insurer or held in trust
31 for the benefit of the ceding insurer under a special purpose reinsurance vehicle
32 contract is less than the aggregate limit remaining under the contract as of the time
33 the determination is made.

34 **Sec. 4. 24-A MRSA §781, sub-§9**, as enacted by PL 2003, c. 249, §2, is amended
35 to read:

36 **9. Insolvency.** "Insolvency" or "insolvent" means that the special purpose
37 reinsurance vehicle or one or more of its protected cells is unable to pay its obligations
38 when they are due unless the obligations are the subject of a bona fide dispute.

39 **Sec. 5. 24-A MRSA §781, sub-§11-A** is enacted to read:

1 11-A. Protected cell. "Protected cell" means a separate account established and
2 maintained by a special purpose reinsurance vehicle for one special purpose reinsurance
3 vehicle contract and the accompanying insurance securitization with a ceding insurer as
4 further provided for in section 784-A.

5 **Sec. 6. 24-A MRSA §781, sub-§16**, as enacted by PL 2003, c. 249, §2, is
6 amended to read:

7 **16. Special purpose reinsurance vehicle insurance securitization; insurance**
8 **securitization.** "Special purpose reinsurance vehicle insurance securitization" or
9 "insurance securitization" means a package of related risk transfer instruments, capital
10 market offerings and facilitating administrative agreements by which proceeds are
11 obtained by a special purpose reinsurance vehicle directly or indirectly through the
12 issuance of securities and are held in trust or under the control of the ceding insurer
13 pursuant to the requirements of this subchapter to secure the obligations of the special
14 purpose reinsurance vehicle under a one or more special purpose reinsurance vehicle
15 contract contracts with one or more ceding insurers, ~~and in which the special purpose~~
16 ~~reinsurance vehicle's obligation to return the full initial investment to the holders of such~~
17 ~~securities pursuant to the transaction terms is contingent upon the funds not being used to~~
18 ~~pay the obligations of the special purpose reinsurance vehicle to the ceding insurers under~~
19 ~~the special purpose reinsurance vehicle contract~~ when investment risk to the holders of
20 these securities is contingent upon the obligations of the special purpose reinsurance
21 vehicle to the ceding insurer or ceding insurers under the special purpose reinsurance
22 vehicle contract in accordance with the transaction terms.

23 **Sec. 7. 24-A MRSA §782, sub-§2, ¶H**, as enacted by PL 2003, c. 249, §2, is
24 amended to read:

25 H. A plan of operation, consisting of a description of the contemplated insurance
26 securitization or securitizations, the special purpose reinsurance vehicle contract and
27 related transactions, which must include:

28 (1) Draft documentation or at the discretion of the superintendent a written
29 summary of all material agreements that are planned in order to effectuate the
30 insurance securitization or securitizations and the related contract, including the
31 names of the ceding insurers, the nature of the risks being assumed and the
32 maximum amounts, purpose and nature and the interrelationships of the various
33 transactions required to effectuate the insurance securitization or securitizations;

34 (2) The investment strategy of the special purpose reinsurance vehicle and a
35 representation that the investment strategy complies with the investment
36 requirements set forth in this subchapter and that the strategy includes investment
37 practices or other provisions to preserve asset values that facilitate attainment of
38 full funding during the term of the insurance securitization or securitizations with
39 assets that can be monetized in response to a triggering event without a
40 substantial loss in value;

41 (3) A description of the method by which losses covered by the contract that
42 may develop after the termination of the contract period are to be addressed
43 under the provisions of the contract; ~~and~~

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1 (4) A If applicable, a representation that the special purpose reinsurance vehicle
2 contract with the ceding insurer, the security agreement or trust agreement under
3 section 784, subsection 2 4, paragraph D-1 or E and the any trusts holding assets
4 that secure the obligations of the special purpose reinsurance vehicle under the
5 contract and the contract with the ceding insurers in connection with the
6 contemplated insurance securitization are structured in accordance with the
7 requirements under this subchapter; and

8 (5) If protected cells are to be used, a description of the procedures for
9 maintaining and safeguarding separate accounts as required by section 784-A,
10 subsection 1 and an application for approval of each initial protected cell as
11 required by section 784-A, subsection 2.

12 **Sec. 8. 24-A MRSA §782, sub-§6**, as enacted by PL 2003, c. 249, §2, is amended
13 to read:

14 **6. Documentation of insurance securitization.** The special purpose reinsurance
15 vehicle organizer shall provide a complete set of the documentation of the insurance
16 securitization to the superintendent upon closing of any transactions, including an opinion
17 of legal counsel with respect to compliance with this subchapter and any other applicable
18 laws as of the effective date of any transaction. ~~Any material change to the special~~
19 ~~purpose reinsurance vehicle's plan of operation filed pursuant to subsection 2, including,~~
20 ~~but not limited to, the issuance of new securities to continue the insurance securitization~~
21 ~~activities of the special purpose reinsurance vehicle pursuant to this subchapter after~~
22 ~~expiration and full satisfaction of the initial securitization transactions, requires prior~~
23 ~~approval of the superintendent. A change in the counterparty to swap transactions for an~~
24 ~~existing insurance securitization as allowed under this subchapter is not considered a~~
25 ~~material change unless the special purpose reinsurance vehicle's managers know or~~
26 ~~should know that the new counterparty presents a substantial risk of default.~~

27 **Sec. 9. 24-A MRSA §782, sub-§7** is enacted to read:

28 **7. Changes in plan of operation.** Any material change to the special purpose
29 reinsurance vehicle's plan of operation filed pursuant to subsection 2, including, but not
30 limited to, the initiation of a new insurance securitization to continue the activities of the
31 special purpose reinsurance vehicle pursuant to this subchapter after expiration and full
32 satisfaction of the initial securitization transactions, requires prior approval of the
33 superintendent. A change in the counterparty to swap transactions for an existing
34 insurance securitization as allowed under this subchapter is not considered a material
35 change unless the special purpose reinsurance vehicle's managers know or should know
36 that the new counterparty presents a substantial risk of default.

37 **Sec. 10. 24-A MRSA §784, sub-§1**, as enacted by PL 2003, c. 249, §2, is
38 amended to read:

39 **1. Contracts.** Special purpose reinsurance vehicles authorized under this subchapter
40 may enter into and effectuate special purpose reinsurance vehicle contracts with one or
41 more ceding insurers as long as the contracts:

42 A. Obligate the reinsurance vehicle to indemnify the ceding insurer for losses;

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1 B. Are securitized in full through a single special purpose reinsurance vehicle
2 insurance securitization or, if protected cells are used, through a single special
3 purpose reinsurance vehicle insurance securitization for each protected cell; and

4 C. Are fully funded and secured with assets held in trust in accordance with the
5 requirements of this section pursuant to agreements proposed under this subchapter,
6 and invested in a manner that meets the criteria set forth in section 795.

7 **Sec. 11. 24-A MRSA §784, sub-§2**, as enacted by PL 2003, c. 249, §2, is
8 amended to read:

9 **2. Eligible lines of business.** A special purpose reinsurance vehicle contract may
10 only provide catastrophe excess of loss property reinsurance coverage or catastrophe life
11 or health reinsurance coverage, unless the superintendent adopts rules pursuant to section
12 797 specifying additional lines of business that may be reinsured by a special purpose
13 reinsurance vehicle or approves a waiver of the requirement of this subsection for good
14 cause shown with respect to a particular application.

15 **Sec. 12. 24-A MRSA §784, sub-§3**, as enacted by PL 2003, c. 249, §2, is
16 amended to read:

17 **3. Multiple ceding insurers.** A special purpose reinsurance vehicle may enter into
18 contracts with multiple ceding insurers only if each contract is attributable to a different
19 protected cell or if:

20 A. The special purpose reinsurance vehicle reinsures no more than 10 ceding
21 insurers; and

22 B. Each ceding insurer has no more than \$50,000,000 in surplus as reported in its
23 most recent financial statement filed with its domiciliary regulator, as of the date the
24 special purpose reinsurance vehicle is licensed. A group of ceding insurers under
25 common control may elect to be treated as separate insurers for purposes of this
26 subsection, but only if each insurer in the group that is reinsured by the same special
27 purpose reinsurance vehicle is counted separately for purposes of the 10-cedent limit.

28 **Sec. 13. 24-A MRSA §784, sub-§4**, as enacted by PL 2003, c. 249, §2, is
29 amended to read:

30 **4. Terms of operation.** A special purpose reinsurance vehicle may enter into
31 agreements with 3rd parties and conduct business necessary to fulfill its obligations and
32 administrative duties incident to the insurance securitization and the special purpose
33 reinsurance vehicle contract. The agreements may include entering into swap agreements
34 or other transactions that have the objective of leveling timing differences in funding
35 upfront or ongoing transaction expenses or managing credit or interest rate risk of the
36 investments in trust to ensure that the assets held in trust are sufficient to satisfy payment
37 or repayment of the securities issued pursuant to an insurance securitization transaction ~~or~~
38 ~~the~~ and any other obligations of the special purpose reinsurance vehicle ~~under the~~
39 ~~contract~~. In fulfilling its function, the special purpose reinsurance vehicle shall adhere to
40 the following requirements and shall, to the extent of its powers, ensure that contracts
41 obligating other parties to perform certain functions incident to its operations are
42 substantively and materially consistent with the following requirements and guidelines.

1 A. A special purpose reinsurance vehicle must have a distinct name, which must
2 include the designation "SPRV" or "Special Purpose Reinsurance Vehicle." The
3 name of the reinsurance vehicle may not be deceptively similar to, or likely to be
4 confused with or mistaken for, any other existing business name registered in this
5 State.

6 B. Unless otherwise provided in the plan of operation, the principal place of business
7 and office of any reinsurance vehicle organized under this subchapter must be located
8 in this State.

9 C. The assets of a reinsurance vehicle must be preserved and administered by or on
10 behalf of the reinsurance vehicle to satisfy the liabilities and obligations of the
11 reinsurance vehicle incident to the insurance securitization and other related
12 agreements including the contract.

13 D. Assets Except as provided in paragraph D-1, assets of the reinsurance vehicle that
14 are pledged to secure obligations of the reinsurance vehicle to a ceding insurer under
15 a contract must be held in trust and administered by a qualified United States
16 financial institution serving as trustee. The qualified United States financial
17 institution may not control, be controlled by or be under common control with the
18 reinsurance vehicle or any ceding insurer.

19 D-1. If approved by the superintendent, the reinsurance vehicle and the ceding
20 insurer may enter into a written agreement, in compliance with the ceding insurer's
21 applicable domiciliary credit for reinsurance laws, under which the assets pledged as
22 security, in lieu of being held in trust, are held in the United States subject to
23 withdrawal solely by the ceding insurer and under its exclusive control. The security
24 agreement may not be approved unless the superintendent determines that the
25 agreement is consistent with the purposes of this subsection, that the ceding insurer
26 has unconditional access to the funds necessary to fulfill the reinsurance vehicle's
27 obligations to the ceding insurer and that the assets withheld under the control of the
28 ceding insurer are never less than the amount that would otherwise be required to be
29 held in trust.

30 E. ~~The agreement governing the trust described in paragraph D must create~~ must be
31 governed by a written agreement between the reinsurance vehicle and the ceding
32 insurer that creates one or more trust accounts into which all pledged assets must be
33 deposited and held until distributed in accordance with the trust agreement. The
34 pledged assets must be held by the trustee at the trustee's office in the United States
35 and may be held in certificated or electronic form.

36 F. The provisions for withdrawal by ~~the ceding insurers~~ insurer of funds from the
37 trust must comply with the ceding insurer's applicable domiciliary credit for
38 reinsurance laws and be clean and unconditional, subject only to the following
39 requirements:

- 40 (1) The ceding insurer has the right to withdraw assets from the trust account at
41 any time without notice to the reinsurance vehicle subject only to written notice
42 to the trustee from the ceding insurer that funds in the amount requested are due
43 and payable by the reinsurance vehicle;

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- 1 (2) No other statement or document need be presented in order to withdraw
2 assets, except that the ceding insurer may be required to acknowledge receipt of
3 withdrawn assets;
- 4 (3) The trust agreement described in paragraph E must indicate that it is not
5 subject to any conditions or qualifications outside of the trust agreement;
- 6 (4) The trust agreement described in paragraph E may not contain references to
7 any other agreements or documents; and
- 8 (5) Reference may not be made to the fact that these funds may represent
9 reinsurance premiums or that the funds have been deposited for any specific
10 purpose.
- 11 G. The trust agreement described in paragraph E must be established for the sole use
12 and benefit of the ceding insurer at least to the full extent of the reinsurance vehicle's
13 obligations to the ceding insurer under the contract. In the case of more than one
14 ceding insurer or more than one reinsurance contract with the same ceding insurer, a
15 separate trust agreement must be entered into with each ceding insurer and a separate
16 trust account must be maintained for each ceding insurer.
- 17 H. The trust agreement described in paragraph E must provide for the trustee to:
- 18 (1) Receive assets and hold all assets in a safe place;
- 19 (2) Determine that all assets are in a form that the ceding insurer or the trustee,
20 upon direction by the ceding insurer, may whenever necessary negotiate the
21 assets, without consent or signature from the reinsurance vehicle or any other
22 person or entity;
- 23 (3) Furnish to the reinsurance vehicle, the superintendent and the ceding insurer
24 a statement of all assets in the trust account referred to in paragraph E reported at
25 fair value upon its inception and at intervals no less frequent than the end of each
26 calendar quarter;
- 27 (4) Notify the reinsurance vehicle and the ceding insurer within 10 days of any
28 deposits to or withdrawals from the trust account referred to in paragraph E;
- 29 (5) Upon written demand of the ceding insurer, immediately take steps
30 necessary to transfer absolutely all right, title and interest in the assets held in the
31 trust account referred to in paragraph E to the ceding insurer and deliver physical
32 custody of the assets to the ceding insurer; and
- 33 (6) Allow no substitutions or withdrawals of assets from the trust account
34 referred to in paragraph E except on written instructions from the ceding insurer.
- 35 I. The trust agreement described in paragraph E must provide that at least 30 days
36 but not more than 45 days before termination of the trust account written notification
37 of termination must be delivered by the ~~3rd party~~ trustee to the ceding insurer.
- 38 J. The trust agreement described in paragraph E may be made subject to and
39 governed by the laws of any state in addition to the requirements for the trust as

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1 provided in this subchapter as long as the state is disclosed in the plan of operation
2 filed with and approved by the superintendent.

3 K. The trust agreement described in paragraph E must prohibit invasion of the trust
4 account referred to in paragraph E for the purpose of paying compensation to or
5 reimbursing the expenses of the trustee.

6 L. The trust agreement described in paragraph E must provide that the trustee be
7 liable for the trustee's own negligence, willful misconduct or lack of good faith.

8 (1) Notwithstanding the provisions of paragraph F, subparagraphs (3) to (5) and
9 paragraph M, subparagraph (5), when a trust agreement described in paragraph E
10 is established in conjunction with a contract, then the trust agreement may
11 provide that the ceding insurer shall undertake to use and apply any amounts
12 drawn upon the trust account without diminution because of the insolvency of the
13 ceding insurer or the reinsurance vehicle for the following purposes:

14 (a) To pay or reimburse the ceding insurer amounts due to the ceding
15 insurer under the contract, including, but not limited to, unearned premiums
16 due to the ceding insurer if not otherwise paid by the reinsurance vehicle in
17 accordance with the terms of that trust agreement; or

18 (b) When the ceding insurer has received notification of termination of the
19 trust account referred to in paragraph E and when some or all of the
20 reinsurance vehicle's obligations under the specific contract remain
21 unliquidated and undischarged 10 days before the termination date, to
22 withdraw amounts equal to the undischarged obligations and deposit the
23 amounts in a separate account in the name of the ceding insurer in any
24 qualified United States financial institution apart from its general assets in
25 trust for the sole purpose of discharging any contractual obligations of the
26 reinsurance vehicle that may remain executory after the withdrawal and for
27 any period after the termination date. Assets so held must revert to the
28 reinsurance vehicle when they are no longer necessary to secure the
29 obligations of the reinsurance vehicle and may not exceed the sum of the
30 following amounts as determined in good faith by the ceding insurer:

31 (i) Losses and loss expenses paid by the ceding insurer but not
32 recovered from the reinsurance vehicle;

33 (ii) Reserves for losses reported and outstanding;

34 (iii) Reserves for losses incurred but not reported;

35 (iv) Reserves for loss expenses;

36 (v) Reserves for unearned premiums; and

37 (vi) Any additional amount necessary to maintain full funding of the
38 aggregate limit remaining under the contract if the period of coverage or
39 the agreed-upon period of loss development has yet to expire.

40 (2) The provisions to be included in the trust agreement described in paragraph
41 E pursuant to this paragraph may instead be included in the underlying contract.

M. A special purpose reinsurance vehicle contract must contain provisions that:

(1) ~~Require the reinsurance vehicle to enter into a trust agreement described in paragraph E and to establish a trust account referred to in paragraph E for the benefit of the ceding insurer and specifying what recoverables or reserves or both the trust agreement is to cover; ;~~

(a) Enter into a trust agreement described in paragraph E and establish a trust account referred to in paragraph E for the benefit of the ceding insurer; or

(b) Enter into a security agreement described in paragraph D-1. The trust agreement or security agreement must specify what recoverables or reserves or both the agreement is to cover;

(2) Stipulate that assets ~~deposited in the trust account~~ pledged as security be valued according to their current fair value for purposes of the contract and may consist only of permitted investments;

(3) ~~Require~~ If applicable, require the reinsurance vehicle, before depositing assets with the trustee, to execute assignments or endorsements in blank or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments in order that the ceding insurer or the trustee upon the direction of the ceding insurer may whenever necessary negotiate any such assets without consent or signature from the reinsurance vehicle or any other entity;

(4) Require that all settlements of account between the ceding insurer and the reinsurance vehicle be made in cash or its equivalent; and

(5) Stipulate that the reinsurance vehicle and the ceding insurer agree that the assets in the any trust account referred to in paragraph E and established pursuant to the provisions of the contract may be withdrawn by the ceding insurer at any time notwithstanding any other provisions in the contract and must be used and applied by the ceding insurer or any successor by operation of law of the ceding insurer, including, but not limited to, and subject to the provisions of section 793, any liquidator, rehabilitator, receiver or conservator of the ceding insurer, without diminution because of insolvency on the part of the ceding insurer or the reinsurance vehicle, only for the following purposes:

(a) To transfer all such assets into one or more trust accounts pursuant to ~~Paragraph~~ paragraph L for the benefit of the ceding insurer pursuant to the terms of the contract and in compliance with this subchapter; and

(b) To pay any other amounts that the ceding insurer claims are due under the contract.

N. The contract entered into by the reinsurance vehicle may contain provisions that give the reinsurance vehicle the right to seek approval from the ceding insurer to withdraw from the trust account referred to in paragraph E all or part of the assets contained in the trust account and to transfer the assets to the reinsurance vehicle as long as:

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- 1 (1) The reinsurance vehicle shall at the time of the withdrawal replace the
2 withdrawn assets with other qualified assets having a fair value equal to the fair
3 value of the assets withdrawn and that meet the requirements of section 795; and
- 4 (2) After the withdrawals and transfer, the fair value of the assets in the trust
5 account referred to in paragraph E securing the obligations of the reinsurance
6 vehicle under the contract is no less than an amount needed to satisfy the full
7 funding requirement of the contract. The ceding insurer has the sole discretion to
8 determine whether these provisions have been satisfied but may not unreasonably
9 nor arbitrarily withhold its approval.
- 10 O. The contract must provide that investors in the reinsurance vehicle agree that any
11 obligation to repay principal, interest or dividends on the securities issued by the
12 reinsurance vehicle must be reduced upon the occurrence of a triggering event, to the
13 extent that the assets of the reinsurance vehicle held in trust for the benefit of the
14 ceding insurer are remitted to the ceding insurer in fulfillment of the obligations of
15 the reinsurance vehicle under the contract.
- 16 P. Assets held by a reinsurance vehicle in trust must be valued at their fair value.
- 17 Q. The proceeds from the sale of securities by the reinsurance vehicle to investors
18 must be deposited with the trustee or under the control of the ceding insurer as
19 described in this subchapter and must be held or invested ~~by the trustee~~ in accordance
20 with the requirements of section 795.
- 21 R. A reinsurance vehicle organized under this subchapter may engage only in fully
22 funded contracts to support in full the ceding insurer's exposures assumed by the
23 reinsurance vehicle. A contract must be indemnity-triggered unless the
24 superintendent adopts rules pursuant to section 797 authorizing nonindemnity-
25 triggered contracts and addressing the treatment of the portion of the risk that is
26 nonindemnity-based, including accounting, disclosure, risk-based capital treatment
27 and the manner in which risks associated with a nonindemnity-based contract may be
28 evaluated and managed. Assets of the reinsurance vehicle may be used to pay
29 interest or other consideration on any outstanding debt or other obligation of the
30 reinsurance vehicle and nothing in this paragraph may be construed or interpreted to
31 prevent a reinsurance vehicle from entering into a swap agreement or other
32 transaction that has the effect of guaranteeing interest or other consideration.
- 33 S. In the special purpose reinsurance vehicle insurance securitization, the contracts
34 or other relating documentation must contain provisions identifying the reinsurance
35 vehicle that enters into the reinsurance securitization and the contracts or other
36 documentation must clearly disclose that the assets of the reinsurance vehicle and
37 only those assets are available to pay the obligations of that reinsurance vehicle.
38 Notwithstanding this paragraph, and subject to the provisions of this subchapter and
39 any other applicable law, the failure to include such language in the contracts or other
40 documentation may not be used as the sole basis by creditors, reinsurers or other
41 claimants to circumvent the provisions of this subchapter.
- 42 T. A reinsurance vehicle is not authorized to:
- 43 (1) Issue or otherwise administer primary insurance policies;

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- 1 (2) Have any obligation to the policyholders or reinsureds of the ceding insurer;
- 2 (3) Enter into a contract with a person that is not licensed or otherwise
- 3 authorized to conduct the business of insurance or reinsurance in at least its state
- 4 or country of domicile; or
- 5 (4) Assume or retain exposure to insurance or reinsurance losses for its own
- 6 account that is not initially fully funded by proceeds from an insurance
- 7 securitization that meets the requirements of this subchapter.

8 U. At the cessation of business of a reinsurance vehicle, the limited certificate of
9 authority granted by the superintendent under section 782 expires and the reinsurance
10 vehicle may no longer be authorized to conduct activities pursuant to this subchapter
11 until a new certificate of authority is issued pursuant to a new filing in accordance
12 with section 782. The completion of a reinsurance vehicle's securitization activities
13 does not constitute the cessation of business for purposes of this paragraph if the
14 reinsurance vehicle's approved business plan contemplates additional securitizations.

15 V. It is unlawful for a reinsurance vehicle to lend or otherwise invest or place in
16 custody, trust or under management any of its assets with or to borrow money or
17 receive a loan or advance from, other than by issuance of the securities pursuant to an
18 insurance securitization, from anyone convicted of a felony, anyone who is
19 untrustworthy or of known bad character or anyone convicted of a criminal offense
20 involving the conversion or misappropriation of fiduciary funds or insurance
21 accounts, theft, deceit, fraud, misrepresentation or corruption.

22 W. A special purpose reinsurance vehicle may purchase reinsurance with the
23 approval of the superintendent to retrocede risks assumed through a special purpose
24 reinsurance vehicle contract. Reinsurance purchased by the reinsurance vehicle does
25 not reduce the aggregate limit of the reinsurance vehicle or the covered protected cell
26 and may only be credited toward the funding requirements of the reinsurance vehicle
27 or the covered protected cell to the extent that the ceding insurer has a direct right of
28 recovery against the retrocessionaire that is secured by assets deposited with the
29 trustee or under the control of the ceding insurer in accordance with this section and
30 held or invested in accordance with the requirements of section 795.

31 **Sec. 14. 24-A MRSA §784-A** is enacted to read:

32 **§784-A. Protected cells**

33 **1. Establishment of protected cells.** A special purpose reinsurance vehicle may
34 establish and maintain one or more protected cells with the prior written approval of the
35 superintendent, subject to compliance with the provisions of this section.

36 A. A protected cell may be established only for the purpose of insuring or reinsuring
37 risks of one or more special purpose reinsurance vehicle contracts with the intent of
38 facilitating an insurance securitization. The establishment of a protected cell in
39 compliance with this section in connection with a lawful insurance securitization does
40 not constitute a fraudulent conveyance, a scheme to defraud creditors or a transaction
41 of business for a fraudulent purpose.

1 B. Each protected cell must be accounted for separately on the books and records of
2 the special purpose reinsurance vehicle to reflect the financial condition and results of
3 operations of the protected cell, net income or loss, dividends or other distributions
4 for the special purpose reinsurance vehicle contract with each cell and other factors as
5 may be provided in the special purpose reinsurance vehicle contract, insurance
6 securitization transaction documents, plan of operation or business plan, or as
7 required by the superintendent. The special purpose reinsurance vehicle must
8 establish administrative and accounting procedures necessary for the proper
9 attribution of protected cell assets and protected cell liabilities to each protected cell.
10 The directors of a special purpose reinsurance vehicle shall keep the protected cell
11 assets and liabilities attributable to each protected cell separate and separately
12 identifiable from the assets and liabilities of the special purpose reinsurance vehicle's
13 general account and from the protected cell assets and liabilities attributable to any
14 other protected cell.

15 C. Amounts attributed to a protected cell under this section, including assets
16 transferred to a protected cell account, are owned by the special purpose reinsurance
17 vehicle, and the special purpose reinsurance vehicle is not and may not hold itself out
18 to be a trustee with respect to those protected cell assets of that protected cell
19 account.

20 D. All attributions of assets and liabilities between a protected cell and the general
21 account must be in accordance with the plan of operation approved by the
22 superintendent. No other attribution of assets or liabilities may be made by a special
23 purpose reinsurance vehicle between the special purpose reinsurance vehicle's general
24 account and its protected cell or cells. The special purpose reinsurance vehicle must
25 attribute all insurance obligations, assets and liabilities relating to a special purpose
26 reinsurance vehicle contract and the related insurance securitization transaction,
27 including any securities issued by the special purpose reinsurance vehicle as part of
28 the insurance securitization and any taxes or other obligations arising by operation of
29 law, to the associated protected cell.

30 E. The assets of a protected cell are not chargeable with liabilities arising out of a
31 special purpose reinsurance vehicle contract related to or associated with another
32 protected cell. More than one special purpose reinsurance vehicle contract may not be
33 attributed to the same protected cell unless those special purpose reinsurance vehicle
34 contracts are intended to be, and ultimately are, part of a single securitization
35 transaction.

36 F. A sale, exchange or other transfer of assets may not be made by the special
37 purpose reinsurance vehicle between or among any of its protected cells without the
38 consent of the superintendent, the ceding insurer or insurers and the holders of the
39 securities issued by each protected cell.

40 G. A sale, exchange, transfer of assets, dividend or distribution may not be made
41 from a protected cell without the superintendent's approval except as authorized in
42 advance under the special purpose reinsurance vehicle contract or related insurance
43 securitization transaction documents and may not be approved if the sale, exchange,
44 transfer, dividend or distribution would result in insolvency or impairment with
45 respect to a protected cell.

1 H. A special purpose reinsurance vehicle may pay interest or repay principal, or
2 both, and make distributions or repayments in respect of any securities attributed to a
3 particular protected cell from assets or cash flows relating to or emerging from the
4 special purpose reinsurance vehicle contract and the insurance securitization
5 transactions that are attributable to that particular protected cell in accordance with
6 the provisions of this subchapter or as otherwise approved by the superintendent.

7 **2. Approval of protected cells.** A special purpose reinsurance vehicle contract with
8 or attributable to a protected cell does not take effect without the superintendent's prior
9 written approval, and the addition of each new protected cell constitutes a change in the
10 business plan requiring the superintendent's prior written approval and the amendment of
11 the special purpose reinsurance vehicle's limited certificate of authority. The
12 superintendent may retain legal, financial and examination services from outside the
13 bureau to examine and investigate the application for a protected cell, the reasonable cost
14 of which may be charged against the applicant, or the superintendent may use internal
15 resources to examine and investigate the application, the reasonable cost of which may be
16 charged against the applicant up to a maximum of \$12,000, or both. The application for
17 approval of a protected cell must include a plan of operation for the protected cell
18 consistent with the requirements of section 782, subsection 2, paragraph H.

19 **3. Minimum capital requirements.** A special purpose reinsurance vehicle with
20 protected cells shall possess and maintain capitalization in each protected cell in the
21 amount and manner required for a special purpose reinsurance vehicle in section 787 and,
22 in addition, shall possess and maintain minimum capitalization separate and apart from
23 the capitalization of its protected cell or cells in an amount determined by the
24 superintendent after giving due consideration of the special purpose reinsurance vehicle's
25 business plan, feasibility study and proforma financial statements, including the nature of
26 the risks to be insured or reinsured.

27 **4. Status of protected cells.** A protected cell is not a legal person separate from the
28 special purpose reinsurance vehicle. However, a protected cell must have its own distinct
29 name or designation that includes the words "protected cell" and all protected cells must
30 be identified by name in the special purpose reinsurance vehicle's limited certificate of
31 authority. The special purpose reinsurance vehicle shall hold all assets attributable to the
32 protected cell in one or more separately established and identified protected cell accounts
33 bearing the name or designation of that protected cell.

34 A. The assets of a protected cell are available only to the ceding insurer and other
35 creditors of that protected cell and may not be used to pay expenses or claims other
36 than those attributable to the protected cell. Creditors with respect to a protected cell
37 are not entitled to any recourse against the protected cell assets of other protected
38 cells or the assets of the special purpose reinsurance vehicle's general account. If an
39 obligation of a special purpose reinsurance vehicle relates only to the general
40 account, the creditor is entitled to have recourse with respect to that obligation only to
41 the assets of the general account.

42 B. Protected cell assets may not be pledged or otherwise encumbered except for the
43 benefit of creditors of that protected cell in furtherance of the securitization in
44 accordance with the approved plan of operation.

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1 C. All contracts or other documentation reflecting protected cell liabilities must
2 clearly indicate that only the protected cell assets are available for the satisfaction of
3 those protected cell liabilities. In all special purpose reinsurance vehicle insurance
4 securitizations involving a protected cell, the contracts or other documentation
5 effecting the transaction must contain provisions identifying the protected cell to
6 which the transaction is attributed. In addition, the contracts or other documentation
7 must clearly disclose that the assets of that protected cell, and only those assets, are
8 available to pay the obligations of that protected cell. However, failure to include
9 express language attributing obligations under a contract to a protected cell does not
10 give a party the right to void or reform the contract if the party had notice that the
11 contract related to a protected cell.

12 D. If the special purpose reinsurance vehicle enters into a contract involving more
13 than one protected cell, the rights and obligations relating to each protected cell must
14 be several rather than joint and the contract must make clear provisions for their
15 apportionment between protected cells.

16 E. In any action or proceeding involving the potential for monetary recovery by or
17 against a special purpose reinsurance vehicle with protected cells, or for nonmonetary
18 relief relating to a particular protected cell or cells, any process, pleading or order
19 must name the specific cell or cells affected, including if applicable the general
20 account.

21 **5. Separate administrative services.** A special purpose reinsurance vehicle may
22 contract with or arrange for an investment advisor, commodity trading advisor or other
23 3rd party to manage the assets or administer the obligations of a protected cell, if all
24 remuneration, expenses and other compensation arising out of services performed with
25 respect to that protected cell are payable only from the assets of that protected cell or,
26 with the approval of the superintendent, from the assets of the special purpose reinsurance
27 vehicle's general account.

28 **6. Notice of impairment or insolvency.** A special purpose reinsurance vehicle with
29 protected cells shall notify the superintendent in writing within 10 business days after the
30 special purpose reinsurance vehicle or any protected cell becomes impaired or insolvent.

31 **7. Conversion to protected cell framework.** A special purpose reinsurance vehicle
32 without protected cells may apply to the superintendent in accordance with subsection 2
33 to revise its plan of operation to establish one or more protected cells. If there is an
34 existing insurance securitization in force at the time of the application, the revised plan of
35 operation must provide for the establishment of a protected cell for that securitization and
36 the transfer to the protected cell of all assets and liabilities relating to the securitization.

37 **8. Termination of protected cell.** At the cessation of business of a protected cell in
38 accordance with the plan approved by the superintendent, the special purpose reinsurance
39 vehicle shall close out the protected cell account and the superintendent shall modify the
40 limited certificate of authority to reflect the termination.

41 **Sec. 15.** 24-A MRS §786, as enacted by PL 2003, c. 249, §2, is amended to
42 read:

1 **§786. Affiliation**

2 Notwithstanding the provisions of section 222, the special purpose reinsurance
3 vehicle, the special purpose reinsurance vehicle organizer or subsequent debt or equity
4 investors in special purpose reinsurance vehicle securities are not deemed affiliates of the
5 ceding insurer by virtue of the special purpose reinsurance vehicle contract between the
6 ceding insurer and the reinsurance vehicle, the securities of the reinsurance vehicle or
7 related agreements necessary to implement the special purpose reinsurance vehicle
8 insurance securitization. ~~The reinsurance vehicle may not be controlled by, may not~~
9 ~~control and may not be under common control with any ceding insurer that is a party to a~~
10 ~~contract.~~

11 **Sec. 16. 24-A MRSA §788**, as enacted by PL 2003, c. 249, §2, is amended to
12 read:

13 **§788. Dividends**

14 The special purpose reinsurance vehicle may not declare or pay dividends in any
15 form to its owners unless the dividends do not ~~decrease the capital of~~ cause the
16 reinsurance vehicle below \$5,000 or any of its protected cells to become impaired and,
17 after giving effect to the dividends, the assets of the reinsurance vehicle, including assets
18 held in trust pursuant to the terms of the insurance securitization, must be sufficient to
19 meet its obligations. Except for dividends specifically provided for in the approved plan
20 of operation under section 782, subsection 2, paragraph H, the prior approval of the
21 superintendent is required for any dividend paid during the term of coverage or while the
22 reinsurance vehicle has undischarged obligations to the ceding insurer. The dividends
23 may be declared by the board of directors of the reinsurance vehicle if the dividends
24 would not violate the provisions of this subchapter or the approved plan of operation and
25 would not jeopardize the fulfillment of the obligations of the reinsurance vehicle or the
26 trustee pursuant to the special purpose reinsurance vehicle insurance securitization, the
27 special purpose reinsurance vehicle contract or any related transaction. The provisions of
28 section 222, subsections 11-A and 11-B do not apply to such dividends.

29 **Sec. 17. 24-A MRSA §789, sub-§2**, as enacted by PL 2003, c. 249, §2, is
30 amended to read:

31 **2. Statement of operation.** Each special purpose reinsurance vehicle organized
32 under this subchapter shall file with the superintendent no later than March 1st of each
33 year a statement of operations, including a statement of income, a balance sheet and a
34 detailed listing of invested assets, including identification of assets held in trust to secure
35 the reinsurance vehicle's obligations under the special purpose reinsurance vehicle
36 contract, for the year ending the prior December 31st. The statements must be prepared
37 in accordance with statutory accounting principles consistent with section 901-A on
38 forms required by the superintendent. If one or more protected cells have been
39 established, the statement must detail the financial experience of the general account and
40 each protected cell separately, in addition to providing the combined financial experience
41 of the special purpose reinsurance vehicle and all protected cells.

42 **Sec. 18. 24-A MRSA §792**, as enacted by PL 2003, c. 249, §2, is amended to
43 read:

1 §792. **Dissolution**

2 A special purpose reinsurance vehicle operating under this subchapter may be
3 dissolved at any time by a vote of its directors under section 790 and after the action has
4 been approved by the superintendent. Voluntary dissolution may not be effected or
5 allowed until and unless all of the obligations of the reinsurance vehicle pursuant to the
6 insurance securitization or securitizations have been fully and finally satisfied pursuant to
7 their terms. In the case of voluntary dissolution, the disposition of the affairs of the
8 reinsurance vehicle, including the settlement of all outstanding obligations, must be made
9 by the officers or directors of the reinsurance vehicle and when the liquidation has been
10 completed and a final statement in acceptable form has been filed with and approved by
11 the superintendent the provisions for voluntary dissolution under section 3484 must be
12 followed to dissolve the reinsurance vehicle.

13 **Sec. 19. 24-A MRSA §793**, as enacted by PL 2003, c. 249, §2, is amended to
14 read:

15 §793. **Conservation, rehabilitation or liquidation**

16 **1. Authorized insurer.** A special purpose reinsurance vehicle is considered an
17 authorized insurer for purposes of section 4351, subsection 1, and the provisions of
18 chapter 57 apply to a reinsurance vehicle or to any of a reinsurance vehicle's protected
19 cells, except to the extent modified by this section.

20 **2. Grounds for action.** Notwithstanding the provisions of sections 4356 and 4357,
21 the Superior Court may issue an order authorizing the superintendent to conserve,
22 rehabilitate or liquidate a special purpose reinsurance vehicle domiciled in this State, or
23 one or more of its protected cells, only if the superintendent proves by clear and
24 convincing evidence or the reinsurance vehicle stipulates after notice and opportunity for
25 hearing that:

26 A. There has been embezzlement, wrongful sequestration, dissipation or diversion of
27 the assets of the reinsurance vehicle or protected cell intended to be used to pay
28 amounts owed to the ceding insurer or the holders of special purpose reinsurance
29 vehicle securities; or

30 B. The reinsurance vehicle or protected cell is insolvent and the holders of a majority
31 in outstanding principal amount of each class of special purpose reinsurance vehicle
32 securities request or consent to conservation, rehabilitation or liquidation under this
33 subchapter.

34 **3. Receiver.** Notwithstanding any contrary provision of this Title, rules adopted
35 under this Title or any other applicable law, upon any order of conservation,
36 rehabilitation or liquidation of the special purpose reinsurance vehicle or one or more of
37 its protected cells, a receiver is bound to deal with the reinsurance vehicle's assets and
38 liabilities in accordance with the requirements under this subchapter.

39 **3-A. Protected cells.** The following provisions apply to the insolvency of a special
40 purpose reinsurance vehicle with protected cells or to the insolvency of a protected cell.

41 A. The insolvency of one protected cell does not constitute the insolvency of any
42 other protected cell or of the special purpose reinsurance vehicle itself. The

1 insolvency of a special purpose reinsurance vehicle does not constitute the insolvency
2 of any of its solvent protected cells and is not a basis for the receivership of any
3 solvent protected cell capable of independent operation.

4 B. Notwithstanding the insolvency of the special purpose reinsurance vehicle or of
5 any other protected cell, the obligations attributed to any solvent protected cell must
6 continue to be paid as they come due.

7 C. The assets attributed to a protected cell may not be applied to the liabilities
8 attributed to another protected cell or to the reinsurance vehicle generally, except
9 that:

10 (1) If the insolvency of the special purpose reinsurance vehicle renders a
11 protected cell incapable of being managed independently, a receiver may, after
12 consultation with the creditors of the protected cell, contract for the management
13 of the protected cell and charge to the protected cell a reasonable amount for
14 those services;

15 (2) A general liability of an insolvent special purpose reinsurance vehicle may be
16 apportioned equitably in whole or in part to one or more of its protected cells if
17 the Superior Court determines that the liability arises out of the operations of the
18 protected cell or cells and that the interests of innocent creditors of the protected
19 cell or cells are not unreasonably impaired; and

20 (3) If assets or liabilities have been commingled, or have been wrongfully
21 transferred between protected cells or between a protected cell and the general
22 account, the Superior Court shall trace the assets and attribute them to the proper
23 accounts, giving due consideration to the terms of any relevant governing
24 instrument or contract.

25 D. The plan of rehabilitation or liquidation of any special purpose reinsurance
26 vehicle with protected cells must make reasonable provision for the continued
27 operation of all solvent protected cells, which may involve the formation of one or
28 more new special purpose reinsurance vehicles or the transfer of one or more
29 protected cells.

30 **4. Recoverable amounts.** With respect to amounts recoverable under a special
31 purpose reinsurance vehicle contract, the amount recoverable by the receiver may not be
32 reduced or diminished as a result of the entry of an order of conservation, rehabilitation or
33 liquidation with respect to the ceding insurer, notwithstanding any provisions to the
34 contrary in the contracts or other documentation governing the special purpose
35 reinsurance vehicle insurance securitization.

36 A. Notwithstanding the provisions of chapter 57, an application or petition in any
37 delinquency proceeding relating to a ceding insurer or any temporary restraining
38 order or injunction issued in any such proceeding may not prohibit the transaction of
39 any business by a reinsurance vehicle, including any payment by a reinsurance
40 vehicle made pursuant to a special purpose reinsurance vehicle security or any action
41 or proceeding against a reinsurance vehicle or its assets.

42 B. Notwithstanding the provisions of chapter 57, subchapter 2, the commencement
43 of a summary proceeding or other interim proceeding commenced prior to a formal

1 delinquency proceeding with respect to a reinsurance vehicle and any order issued by
2 the court in such proceeding may not prohibit a reinsurance vehicle from making a
3 payment pursuant to a special purpose reinsurance vehicle security or contract or
4 from taking any action required to make the payment.

5 **5. Nonfraudulent transfer.** Notwithstanding any other provision of chapter 57 or
6 other state law:

7 A. A receiver of a ceding insurer may not ~~avoid~~ void a nonfraudulent transfer by a
8 ceding insurer to a special purpose reinsurance vehicle of money or other property
9 made pursuant to a special purpose reinsurance vehicle contract; and

10 B. A receiver of a special purpose reinsurance vehicle may not void a nonfraudulent
11 transfer by the reinsurance vehicle of money or other property made to a ceding
12 insurer pursuant to a special purpose reinsurance vehicle contract or made to or for
13 the benefit of any holder of a special purpose reinsurance vehicle security on account
14 of the special purpose reinsurance vehicle security.

15 **6. Fulfillment of obligations.** With the exception of the fulfillment of the
16 obligations under a special purpose reinsurance vehicle contract and notwithstanding any
17 other provisions of this subchapter or other law of this State to the contrary, the assets of
18 a special purpose reinsurance vehicle including assets held in trust may not be
19 consolidated with or included in the estate of a ceding insurer in any delinquency
20 proceeding against the ceding insurer under this subchapter for any purpose, including,
21 without limitation, distribution to creditors of the ceding insurer.

22 **7. Domiciliary receiver.** Notwithstanding any other provision of this subchapter:

23 A. The domiciliary receiver of a special purpose reinsurance vehicle domiciled in
24 another state is vested by operation of law with the title to all of the assets, property,
25 contracts and rights of action and all of the books, accounts and other records of the
26 reinsurance vehicle located in this State. The domiciliary receiver has the immediate
27 right to recover all such vested property, assets and causes of action of the
28 reinsurance vehicle located in this State; and

29 B. An ancillary proceeding may not be commenced or prosecuted in this State
30 against a special purpose reinsurance vehicle domiciled in another state.

31 **Sec. 20. 24-A M RSA §796**, as enacted by PL 2003, c. 249, §2, is amended to
32 read:

33 **§796. No transaction of insurance business by investors in securities**

34 The securities issued by the special purpose reinsurance vehicle pursuant to a special
35 purpose reinsurance vehicle insurance securitization are not deemed to be insurance or
36 reinsurance contracts. An investor in such securities issued pursuant to insurance
37 securitization or any holder of such securities may not by sole means of this investment
38 or holding be deemed to be transacting an insurance business in this State. The
39 underwriters or selling agents and their partners, directors, officers, members, managers,
40 employees, agents, representatives and advisors involved in an insurance securitization
41 are not deemed to be ~~conducting an insurance or reinsurance agency, brokerage,~~
42 ~~intermediary, advisory or consulting business acting as insurance or reinsurance~~

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1 producers, intermediaries or consultants by virtue of their activities in connection with the
2 special purpose reinsurance vehicle or with the insurance securitization.

3 Sec. 21. 24-A MRSA §796-A is enacted to read:

4 §796-A. Confidentiality of proprietary information

5 Any requirement established by this subchapter to file proprietary business
6 information with the superintendent does not in and of itself make that information a
7 public record. Information filed with the superintendent pursuant to this subchapter is
8 entitled to any privileges and confidentiality protections that would apply if the special
9 purpose reinsurance vehicle were a captive insurance company licensed by the
10 superintendent pursuant to section 6702.

11 Sec. 22. 24-A MRSA §798, sub-§3 is enacted to read:

12 3. Variance. The superintendent may issue an order exempting a special purpose
13 reinsurance vehicle or a protected cell from provisions of this subchapter upon a finding
14 that the variance is necessary for conformance to the laws or regulatory requirements of a
15 ceding insurer's state of domicile and that the variance is consistent with the purposes of
16 this subchapter given the nature of the risks to be insured.

17 **Emergency clause.** In view of the emergency cited in the preamble, this
18 legislation takes effect when approved.'

19 **SUMMARY**

20 This amendment replaces the bill. The amendment allows the establishment of
21 special purpose reinsurance vehicles to facilitate the securitization of insurance risks.
22 The amendment removes the prohibition on a special purpose reinsurance vehicle being
23 controlled by, controlling, or being under common control with the ceding insurer. The
24 amendment allows a special purpose reinsurance vehicle to use protected cells as part of
25 one special purpose reinsurance vehicle contract. The amendment also makes changes to
26 update the current law to be consistent with similar legislation in other states. The
27 amendment also adds an emergency preamble and emergency clause.

28 **FISCAL NOTE REQUIRED**
29 **(See attached)**



Approved: 06/01/07 *mac*

123rd MAINE LEGISLATURE

LD 1390

LR 1688(02)

An Act Related to Special Purpose Reinsurance Vehicles

Fiscal Note for Bill as Amended by Committee Amendment "A"
Committee: Insurance and Financial Services
Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Bureau of Insurance in the Department of Professional and Financial Regulation can be absorbed by the bureau utilizing existing budget resources.