

No. 2008-37

AN ACT

HB 1167

Amending the act of May 17, 1921 (P.L.789, No.285), entitled, as amended, "An act relating to insurance; establishing an insurance department; and amending, revising, and consolidating the law relating to the licensing, qualification, regulation, examination, suspension, and dissolution of insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and certain societies and orders, the examination and regulation of fire insurance rating bureaus, and the licensing and regulation of insurance agents and brokers; the service of legal process upon foreign insurance companies, associations or exchanges; providing penalties, and repealing existing laws," further defining "company action level event" for purposes of risk-based capital reporting requirements.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. The definition of "company action level event" in section 501-A of the act of May 17, 1921 (P.L.789, No.285), known as The Insurance Department Act of 1921, added June 25, 1997 (P.L.349, No.40), is amended to read:

Section 501-A. Definitions.

The following words and phrases when used in this article shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

* * *

"Company action level event" means one or more of the following events:

(1) The filing of an RBC report by an insurer that indicates that:

(i) the insurer's total adjusted capital is greater than or equal to its regulatory action level RBC but less than its company action level RBC; **[or]**

(ii) if a life or health insurer, the insurer has total adjusted capital that is greater than or equal to its company action level RBC but less than the product of its authorized control level RBC and 2.5 and has a negative trend[.]; **or**

(iii) if a property or casualty insurer, the insurer has total adjusted capital that is greater than or equal to its company action level RBC but less than the product of its authorized control level RBC and 3.0 and a trend test result that triggers regulatory attention, as determined in accordance with the Trend Test Calculation included in the RBC instructions.

(2) The notification by the Insurance Commissioner to the insurer of an adjusted RBC report that indicates an event in paragraph (1).

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Section 2. This act shall take effect in 60 days.

APPROVED—The 4th day of July, A.D. 2008.

EDWARD G. RENDELL