

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 4213

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2021

The Senate Commerce Committee reports favorably Senate Bill No. 4213.

This bill updates current law on credit for reinsurance by providing credit for reinsurance ceded by a domestic insurer to an assuming insurer that has its head office domiciled and licensed in a reciprocal jurisdiction. The bill eliminates reinsurance collateral requirements and local presence requirements for reinsurers in the European Union and United Kingdom that maintain minimum capital and surplus requirements. Under the bill, the supervisory authority of the assuming insurer is to confirm to the commissioner on an annual basis that the assuming insurer complies with certain requirements. The commissioner may revoke or suspend the eligibility of an assuming insurer if it no longer meets one or more of the requirements.