

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 298**

FINAL READING

Introduced by Schumacher, 22.

Read first time January 15, 2015

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to insurance; to amend sections 44-416.06 and
- 2 44-416.07, Reissue Revised Statutes of Nebraska; to change
- 3 provisions relating to credit for reinsurance and acceptable forms
- 4 of security; and to repeal the original sections.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-416.06, Reissue Revised Statutes of Nebraska,  
2 is amended to read:

3 44-416.06 (1) Credit for reinsurance shall be allowed a domestic  
4 ceding insurer as either an asset or a reduction from liability on  
5 account of reinsurance ceded only when the reinsurer meets the  
6 requirements of subsection (2), (3), (4), (5), ~~or (6),~~ or (7) of this  
7 section. Except as otherwise provided in section 44-224.11, credit shall  
8 be allowed under subsection (2), (3), or (4) of this section only for  
9 cessions of those kinds or classes of business which the assuming insurer  
10 is licensed or otherwise permitted to write or assume in its state of  
11 domicile or, in the case of a United States branch of an alien assuming  
12 insurer, in the state through which it is entered and licensed to  
13 transact insurance or reinsurance. Credit shall be allowed under  
14 subsection (4) or (5) of this section only if the applicable requirements  
15 of subsection (~~8~~ 7) of this section have been satisfied.

16 (2) Credit shall be allowed when the reinsurance is ceded to an  
17 assuming insurer that is licensed to transact insurance in this state.

18 (3)~~(a)~~ Credit shall be allowed when the reinsurance is ceded to an  
19 assuming insurer that is accredited by the Director of Insurance as a  
20 reinsurer in this state. In order to be eligible for accreditation, a An  
21 ~~accredited~~ reinsurer must ~~is one that~~:

22 (a) File ~~(i) Files~~ with the director ~~Director of Insurance~~ evidence  
23 of its submission to this state's jurisdiction;

24 (b) Submit ~~(ii) Submits~~ to this state's authority to examine its  
25 books and records;

26 (c) Be ~~(iii) Is~~ licensed to transact insurance or reinsurance in at  
27 least one state, or in the case of a United States branch of an alien  
28 assuming insurer, be ~~is~~ entered through and licensed to transact  
29 insurance or reinsurance in at least one state; ~~and~~

30 (d) File ~~(iv) Files~~ annually with the director a copy of its annual  
31 statement filed with the insurance department of its state of domicile

1 and a copy of its most recent audited financial statement; and ~~either:~~

2 (e) Demonstrate to the satisfaction of the director that it has  
3 adequate financial capacity to meet its reinsurance obligations and is  
4 otherwise qualified to assume reinsurance from domestic insurers. An  
5 assuming insurer is deemed to meet this requirement as of the time of its  
6 application if it maintains a surplus as regards policyholders in an  
7 amount not less than twenty million dollars and its accreditation has not  
8 been denied by the director within ninety days after submission of its  
9 application.

10 ~~(A) Maintains a surplus as regards policyholders in an amount not~~  
11 ~~less than twenty million dollars and whose accreditation has not been~~  
12 ~~denied by the director within ninety days of its submission; or~~

13 ~~(B) Maintains a surplus as regards policyholders in an amount less~~  
14 ~~than twenty million dollars and whose accreditation has been approved by~~  
15 ~~the director.~~

16 ~~(b) Credit shall not be allowed a domestic ceding insurer if the~~  
17 ~~assuming insurer's accreditation has been revoked by the director after~~  
18 ~~notice and hearing.~~

19 (4)(a) Credit shall be allowed when the reinsurance is ceded to an  
20 assuming insurer that is domiciled in, or in the case of a United States  
21 branch of an alien assuming insurer is entered through, a state that  
22 employs standards regarding credit for reinsurance substantially similar  
23 to those applicable under this section and the assuming insurer or United  
24 States branch of an alien assuming insurer:

25 (i) Maintains a surplus as regards policyholders in an amount not  
26 less than twenty million dollars; and

27 (ii) Submits to the authority of this state to examine its books and  
28 records.

29 (b) The requirement of subdivision (4)(a)(i) of this section does  
30 not apply to reinsurance ceded and assumed pursuant to pooling  
31 arrangements among insurers in the same holding company system.

1           (5)(a) Credit shall be allowed when the reinsurance is ceded to an  
2 assuming insurer that maintains a trust fund in a qualified United States  
3 financial institution for the payment of the valid claims of its United  
4 States ceding insurers and their assigns and successors in interest. To  
5 enable the director to determine the sufficiency of the trust fund, the  
6 assuming insurer shall report annually to the director information  
7 substantially the same as that required to be reported on the National  
8 Association of Insurance Commissioners Annual Statement form by licensed  
9 insurers. The assuming insurer shall submit to examination of its books  
10 and records by the director and bear the expense of examination.

11           (b)(i) Credit for reinsurance shall not be granted under this  
12 subsection unless the form of the trust and any amendments to the trust  
13 have been approved by:

14           (A) The commissioner of the state where the trust is domiciled; or

15           (B) The commissioner of another state who, pursuant to the terms of  
16 the trust instrument, has accepted principal regulatory oversight of the  
17 trust.

18           (ii) The form of the trust and any trust amendments also shall be  
19 filed with the commissioner of every state in which the ceding insurer  
20 beneficiaries of the trust are domiciled. The trust instrument shall  
21 provide that contested claims shall be valid and enforceable upon the  
22 final order of any court of competent jurisdiction in the United States.  
23 The trust shall vest legal title to its assets in its trustees for the  
24 benefit of the assuming insurer's United States ceding insurers, their  
25 assigns, and successors in interest. The trust and the assuming insurer  
26 shall be subject to examination as determined by the director.

27           (iii) The trust shall remain in effect for as long as the assuming  
28 insurer has outstanding obligations due under the reinsurance agreements  
29 subject to the trust. No later than February 28 of each year the trustee  
30 of the trust shall report to the director in writing the balance of the  
31 trust and listing the trust's investments at the preceding year end and

1 shall certify the date of termination of the trust, if so planned, or  
2 certify that the trust will not expire prior to the following December  
3 31.

4 (c) The following requirements apply to the following categories of  
5 assuming insurer:

6 (i) The trust fund for a single assuming insurer shall consist of  
7 funds in trust in an amount not less than the assuming insurer's  
8 liabilities attributable to reinsurance ceded by United States ceding  
9 insurers and, in addition, the assuming insurer shall maintain a trusteed  
10 surplus of not less than twenty million dollars except as provided in  
11 subdivision (5)(c)(ii) of this section; and

12 (ii) At any time after the assuming insurer has permanently  
13 discontinued underwriting new business secured by the trust for at least  
14 three full years, the commissioner with principal regulatory oversight of  
15 the trust may authorize a reduction in the required trusteed surplus, but  
16 only after a finding, based on an assessment of the risk, that the new  
17 required surplus level is adequate for the protection of United States  
18 ceding insurers, policyholders, and claimants in light of reasonably  
19 foreseeable adverse loss development. The risk assessment may involve an  
20 actuarial review, including an independent analysis of reserves and cash  
21 flows, and shall consider all material risk factors, including when  
22 applicable the lines of business involved, the stability of the incurred  
23 loss estimates, and the effect of the surplus requirements on the  
24 assuming insurer's liquidity or solvency. The minimum required trusteed  
25 surplus may not be reduced to an amount less than thirty percent of the  
26 assuming insurer's liabilities attributable to reinsurance ceded by  
27 United States ceding insurers covered by the trust; and

28 (iii ii)(A) In the case of a group including incorporated and  
29 individual unincorporated underwriters:

30 (I) For reinsurance ceded under reinsurance agreements with an  
31 inception, amendment, or renewal date on or after January 1, 1993 August

1 ~~1, 1995~~, the trust shall consist of a trusteed account in an amount not  
2 less than the respective underwriters' group's several liabilities  
3 attributable to business ceded by United States domiciled ceding insurers  
4 to any underwriter member of the group;

5 (II) For reinsurance ceded under reinsurance agreements with an  
6 inception date on or before December 31, 1992 ~~July 31, 1995~~, and not  
7 amended or renewed after that date, notwithstanding the other provisions  
8 of sections 44-416.05 to 44-416.10, the trust shall consist of a trusteed  
9 account in an amount not less than the respective underwriters' group's  
10 several insurance and reinsurance liabilities attributable to business  
11 written in the United States; and

12 (III) In addition to these trusts, the group shall maintain in trust  
13 a trusteed surplus of which one hundred million dollars shall be held  
14 jointly for the benefit of the United States domiciled ceding insurers of  
15 any member of the group for all years of account;

16 (B) The incorporated members of the group shall not be engaged in  
17 any business other than underwriting as a member of the group and shall  
18 be subject to the same level of regulation and solvency control by the  
19 group's domiciliary regulator as are the unincorporated members; and

20 (C) Within ninety days after its financial statements are due to be  
21 filed with the group's domiciliary regulator, the group shall provide to  
22 the director an annual certification by the group's domiciliary regulator  
23 of the solvency of each underwriter member, or if a certification is  
24 unavailable, financial statements, prepared by independent public  
25 accountants, of each underwriter member of the group.

26 (6)(a) Credit shall be allowed when the reinsurance is ceded to an  
27 assuming insurer that has been certified by the director as a reinsurer  
28 in this state and secures its obligations in accordance with the  
29 requirements of this subsection.

30 (b) In order to be eligible for certification, the assuming insurer  
31 shall meet the following requirements:

1       (i) The assuming insurer must be domiciled and licensed to transact  
2 insurance or reinsurance in a qualified jurisdiction, as determined by  
3 the director pursuant to subdivision (6)(d) of this section;

4       (ii) The assuming insurer must maintain minimum capital and surplus,  
5 or its equivalent, in an amount to be determined by the director pursuant  
6 to rules and regulations;

7       (iii) The assuming insurer must maintain financial strength ratings  
8 from two or more rating agencies deemed acceptable by the director  
9 pursuant to rules and regulations;

10       (iv) The assuming insurer must agree to submit to the jurisdiction  
11 of this state, appoint the director as its agent for service of process  
12 in this state, and agree to provide security for one hundred percent of  
13 the assuming insurer's liabilities attributable to reinsurance ceded by  
14 United States ceding insurers if it resists enforcement of a final United  
15 States judgment;

16       (v) The assuming insurer must agree to meet applicable information  
17 filing requirements as determined by the director, both with respect to  
18 an initial application for certification and on an ongoing basis; and

19       (vi) The assuming insurer must satisfy any other requirements for  
20 certification deemed relevant by the director.

21       (c) An association including incorporated and individual  
22 unincorporated underwriters may be a certified reinsurer. In order to be  
23 eligible for certification, in addition to satisfying requirements of  
24 subdivision (6)(b) of this section:

25       (i) The association shall satisfy its minimum capital and surplus  
26 requirements through the capital and surplus equivalents, net of  
27 liabilities, of the association and its members, which shall include a  
28 joint central fund that may be applied to any unsatisfied obligation of  
29 the association or any of its members, in an amount determined by the  
30 director to provide adequate protection;

31       (ii) The incorporated members of the association shall not be

1 engaged in any business other than underwriting as a member of the  
2 association and shall be subject to the same level of regulation and  
3 solvency control by the association's domiciliary regulator as are the  
4 unincorporated members; and

5 (iii) Within ninety days after its financial statements are due to  
6 be filed with the association's domiciliary regulator, the association  
7 shall provide to the director an annual certification by the  
8 association's domiciliary regulator of the solvency of each underwriter  
9 member or, if a certification is unavailable, financial statements,  
10 prepared by independent public accountants, of each underwriter member of  
11 the association.

12 (d)(i) The director shall create and publish a list of qualified  
13 jurisdictions under which an assuming insurer licensed and domiciled in  
14 such jurisdiction is eligible to be considered for certification by the  
15 director as a certified reinsurer.

16 (ii) In order to determine whether the domiciliary jurisdiction of a  
17 non-United-States assuming insurer is eligible to be recognized as a  
18 qualified jurisdiction, the director shall evaluate the appropriateness  
19 and effectiveness of the reinsurance supervisory system of the  
20 jurisdiction, both initially and on an ongoing basis, and consider the  
21 rights, benefits, and the extent of reciprocal recognition afforded by  
22 the non-United-States jurisdiction to reinsurers licensed and domiciled  
23 in the United States. A qualified jurisdiction must agree to share  
24 information and cooperate with the director with respect to all certified  
25 reinsurers domiciled within that jurisdiction. A jurisdiction may not be  
26 recognized as a qualified jurisdiction if the director has determined  
27 that the jurisdiction does not adequately and promptly enforce final  
28 United States judgments and arbitration awards. Additional factors may be  
29 considered in the discretion of the director.

30 (iii) A list of qualified jurisdictions shall be published through  
31 the National Association of Insurance Commissioners committee process.

1 The director shall consider this list in determining qualified  
2 jurisdictions. If the director approves a jurisdiction as qualified that  
3 does not appear on the list of qualified jurisdictions, the director  
4 shall provide thoroughly documented justification in accordance with  
5 criteria to be developed under rules and regulations.

6 (iv) United States jurisdictions that meet the requirement for  
7 accreditation under the National Association of Insurance Commissioners  
8 financial standards and accreditation program shall be recognized as  
9 qualified jurisdictions.

10 (v) If a certified reinsurer's domiciliary jurisdiction ceases to be  
11 a qualified jurisdiction, the director has the discretion to suspend the  
12 reinsurer's certification indefinitely, in lieu of revocation.

13 (e) The director shall assign a rating to each certified reinsurer,  
14 giving due consideration to the financial strength ratings that have been  
15 assigned by rating agencies deemed acceptable to the director pursuant to  
16 rules and regulations. The director shall publish a list of all certified  
17 reinsurers and their ratings.

18 (f)(i) A certified reinsurer shall secure obligations assumed from  
19 United States ceding insurers under this subsection at a level consistent  
20 with its rating, as specified in rules and regulations adopted and  
21 promulgated by the director.

22 (ii) In order for a domestic ceding insurer to qualify for full  
23 financial statement credit for reinsurance ceded to a certified  
24 reinsurer, the certified reinsurer shall maintain security in a form  
25 acceptable to the director and consistent with the provisions of section  
26 44-416.07 or in a multibeneficiary trust in accordance with subsection  
27 (5) of this section, except as otherwise provided in this subsection.

28 (iii) If a certified reinsurer maintains a trust to fully secure its  
29 obligations subject to subsection (5) of this section and chooses to  
30 secure its obligations incurred as a certified reinsurer in the form of a  
31 multibeneficiary trust, the certified reinsurer shall maintain separate

1 trust accounts for its obligations incurred under reinsurance agreements  
2 issued or renewed as a certified reinsurer with reduced security as  
3 permitted by this subsection or comparable laws of other United States  
4 jurisdictions and for its obligations subject to subsection (5) of this  
5 section. It shall be a condition to the grant of certification under this  
6 subsection that the certified reinsurer shall have bound itself, by the  
7 language of the trust and agreement with the commissioner with principal  
8 regulatory oversight of each such trust account, to fund, upon  
9 termination of any such trust account, out of the remaining surplus of  
10 such trust any deficiency of any other such trust account.

11 (iv) The minimum trustee surplus requirements provided in  
12 subsection (5) of this section are not applicable with respect to a  
13 multibeneficiary trust maintained by a certified reinsurer for the  
14 purpose of securing obligations incurred under this subsection, except  
15 that such trust shall maintain a minimum trustee surplus of ten million  
16 dollars.

17 (v) With respect to obligations incurred by a certified reinsurer  
18 under this subsection, if the security is insufficient, the director  
19 shall reduce the allowable credit by an amount proportionate to the  
20 deficiency and has the discretion to impose further reductions in  
21 allowable credit upon finding that there is a material risk that the  
22 certified reinsurer's obligations will not be paid in full when due.

23 (vi)(A) For purposes of this subsection, a certified reinsurer whose  
24 certification has been terminated for any reason shall be treated as a  
25 certified reinsurer required to secure one hundred percent of its  
26 obligations.

27 (B) As used in subdivision (6)(f)(vi)(A) of this section, the term  
28 "terminated" refers to revocation, suspension, voluntary surrender, and  
29 inactive status.

30 (C) If the director continues to assign a higher rating as permitted  
31 by other provisions of this section, the requirement in subdivision (6)

1 (f)(vi)(A) of this section does not apply to a certified reinsurer in  
2 inactive status or to a reinsurer whose certification has been suspended.

3 (g) If an applicant for certification has been certified as a  
4 reinsurer in a National Association of Insurance Commissioners-accredited  
5 jurisdiction, the director has the discretion to defer to that  
6 jurisdiction's certification and has the discretion to defer to the  
7 rating assigned by that jurisdiction, and such assuming insurer shall be  
8 considered to be a certified reinsurer in this state.

9 (h) A certified reinsurer that ceases to assume new business in this  
10 state may request to maintain its certification in inactive status in  
11 order to continue to qualify for a reduction in security for its in-force  
12 business. An inactive certified reinsurer shall continue to comply with  
13 all applicable requirements of this subsection, and the director shall  
14 assign a rating that takes into account, if relevant, the reasons why the  
15 reinsurer is not assuming new business.

16 (7 6) Credit shall be allowed when the reinsurance is ceded to an  
17 assuming insurer not meeting the requirements of subsection (2), (3),  
18 (4), ~~or~~ (5), or (6) of this section, but only as to the insurance of  
19 risks located in jurisdictions where the reinsurance is required by  
20 applicable law or regulation of that jurisdiction.

21 (8 7) If the assuming insurer is not licensed, ~~or~~ accredited, or  
22 certified to transact insurance or reinsurance in this state, the credit  
23 permitted by subsections (4) and (5) of this section shall not be allowed  
24 unless the assuming insurer agrees in the reinsurance agreements:

25 (a)(i) That in the event of the failure of the assuming insurer to  
26 perform its obligations under the terms of the reinsurance agreement, the  
27 assuming insurer, at the request of the ceding insurer, shall submit to  
28 the jurisdiction of any court of competent jurisdiction in any state of  
29 the United States, will comply with all requirements necessary to give  
30 the court jurisdiction, and will abide by the final decision of the court  
31 or of any appellate court in the event of an appeal; and

1 (ii) To designate the director or a designated attorney as its true  
2 and lawful attorney upon whom may be served any lawful process in any  
3 action, suit, or proceeding instituted by or on behalf of the ceding  
4 insurer company.

5 (b) This subsection is not intended to conflict with or override the  
6 obligation of the parties to a reinsurance agreement to arbitrate their  
7 disputes, if this obligation is created in the agreement.

8 (9 8) If the assuming insurer does not meet the requirements of  
9 subsection (2), (3), or (4) of this section, the credit permitted by  
10 subsection (5) or (6) of this section shall not be allowed unless the  
11 assuming insurer agrees in the trust agreements to the following  
12 conditions:

13 (a) Notwithstanding any other provisions in the trust instrument, if  
14 the trust fund is inadequate because it contains an amount less than the  
15 amount required by subdivision (5)(c) of this section, or if the grantor  
16 of the trust has been declared insolvent or placed into receivership,  
17 rehabilitation, liquidation, or similar proceedings under the laws of its  
18 state or country of domicile, the trustee shall comply with an order of  
19 the commissioner with regulatory oversight over the trust or with an  
20 order of a court of competent jurisdiction directing the trustee to  
21 transfer to the state insurance commissioner with regulatory oversight  
22 all of the assets of the trust fund;

23 (b) The assets shall be distributed by and claims shall be filed  
24 with and valued by the state insurance commissioner with regulatory  
25 oversight in accordance with the laws of the state in which the trust is  
26 domiciled that are applicable to the liquidation of domestic insurance  
27 companies;

28 (c) If the state insurance commissioner with regulatory oversight  
29 determines that the assets of the trust fund or any part thereof are not  
30 necessary to satisfy the claims of the United States ceding insurers of  
31 the grantor of the trust, the assets or part thereof shall be returned by

1 the state insurance commissioner with regulatory oversight to the trustee  
2 for distribution in accordance with the trust agreement; and

3 (d) The grantor shall waive any right otherwise available to it  
4 under United States law that is inconsistent with this provision.

5 (10)(a) If an accredited or certified reinsurer ceases to meet the  
6 requirements for accreditation or certification, the director may suspend  
7 or revoke the reinsurer's accreditation or certification.

8 (b) The director must give the reinsurer notice and opportunity for  
9 hearing. The suspension or revocation may not take effect until after the  
10 director's order on hearing unless:

11 (i) The reinsurer waives its right to hearing;

12 (ii) The director's order is based on regulatory action by the  
13 reinsurer's domiciliary jurisdiction or the voluntary surrender or  
14 termination of the reinsurer's eligibility to transact insurance or  
15 reinsurance business in its domiciliary jurisdiction or in the primary  
16 certifying state of the reinsurer under subdivision (6)(g) of this  
17 section; or

18 (iii) The director finds that an emergency requires immediate action  
19 and a court of competent jurisdiction has not stayed the director's  
20 action.

21 (c) While a reinsurer's accreditation or certification is suspended,  
22 no reinsurance contract issued or renewed after the effective date of the  
23 suspension qualifies for credit except to the extent that the reinsurer's  
24 obligations under the contract are secured in accordance with section  
25 44-416.07. If a reinsurer's accreditation or certification is revoked, no  
26 credit for reinsurance may be granted after the effective date of the  
27 revocation except to the extent that the reinsurer's obligations under  
28 the contract are secured in accordance with subdivision (6)(f) of this  
29 section or section 44-416.07.

30 (11)(a) A ceding insurer shall take steps to manage its reinsurance  
31 recoverables proportionate to its own book of business. A domestic ceding

1 insurer shall notify the director within thirty days after reinsurance  
2 recoverables from any single assuming insurer, or group of affiliated  
3 assuming insurers, exceeds fifty percent of the domestic ceding insurer's  
4 last reported surplus to policyholders, or after it is determined that  
5 reinsurance recoverables from any single assuming insurer, or group of  
6 affiliated assuming insurers, is likely to exceed this limit. The  
7 notification shall demonstrate that the exposure is safely managed by the  
8 domestic ceding insurer.

9 (b) A ceding insurer shall take steps to diversify its reinsurance  
10 program. A domestic ceding insurer shall notify the director within  
11 thirty days after ceding to any single assuming insurer, or group of  
12 affiliated assuming insurers, more than twenty percent of the ceding  
13 insurer's gross written premium in the prior calendar year, or after it  
14 has determined that the reinsurance ceded to any single assuming insurer,  
15 or group of affiliated assuming insurers, is likely to exceed this limit.  
16 The notification shall demonstrate that the exposure is safely managed by  
17 the domestic ceding insurer.

18 Sec. 2. Section 44-416.07, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 44-416.07 An asset or a reduction from liability for the reinsurance  
21 ceded by a domestic insurer to an assuming insurer not meeting the  
22 requirements of section 44-416.06 shall be allowed in an amount not  
23 exceeding the liabilities carried by the ceding insurer. The reduction  
24 shall be in the amount of funds held by or on behalf of the ceding  
25 insurer, including funds held in trust for the ceding insurer, under a  
26 reinsurance contract with the assuming insurer as security for the  
27 payment of obligations thereunder, if the security is held in the United  
28 States subject to withdrawal solely by, and under the exclusive control  
29 of, the ceding insurer, or, in the case of a trust, held in a qualified  
30 United States financial institution. This security may be in the form of:

31 (1) Cash;

1           (2) Securities approved by the Director of Insurance. The director  
2 may use the list of securities furnished by the Securities Valuation  
3 Office of the National Association of Insurance Commissioners, including  
4 those deemed exempt from filing as defined by the Purposes and Procedures  
5 Manual of the Securities Valuation Office, and qualifying as admitted  
6 assets;

7           (3)(a) Clean, irrevocable, unconditional letters of credit, issued  
8 or confirmed by a qualified United States financial institution effective  
9 no later than December 31 of the year for which the filing is being made,  
10 and in the possession of, or in trust for, the ceding insurer ~~company~~ on  
11 or before the filing date of its annual statement; or

12           (b) Letters of credit meeting applicable standards of issuer  
13 acceptability as of the dates of their issuance or confirmation shall,  
14 notwithstanding the issuing or confirming institution's subsequent  
15 failure to meet applicable standards of issuer acceptability, continue to  
16 be acceptable as security until their expiration, extension, renewal,  
17 modification, or amendment, whichever first occurs; or

18           (4) Any other form of security acceptable to the director.

19           Sec. 3. Original sections 44-416.06 and 44-416.07, Reissue Revised  
20 Statutes of Nebraska, are repealed.