

SENATOR LANDIS: Yes, Mr. Speaker, and members of the Legislature, this is a measure that allows basically state-chartered institutions, financial institutions, to hold a reinsurance trust account. A reinsurance trust account is for the purpose of reinsurance. Reinsurance means to have a risk and you have insurance for it but you reinsure the risk so that others then bear excess responsibility. It's a way of broadening the coverage for a risk that you might have. You reinsure even past the level of insurance some kind of a risk. That reinsurance can be the matter of a trust account which is held by a financial institution. Currently, federal law or rather our state law only allows a federal reserve member bank to hold such a reinsurance trust account. This bill allows a redefinition and an expansion to cover state-chartered institutions as well. To use the new definition, the broadened definition of a qualified United States financial institution, we needed to make clear what companies we're talking about and we made a definitional change. We proposed and added in the committee amendments a change from "qualified United States financial institutions", which is one that could hold one of these letters of credit in trust, to "institutions which are determined either by the Securities Valuation Office of the National Association of Insurance Commissioners or the Director of Insurance." Those two groups would be able to authorize financial institutions which could then hold reinsurance trust accounts and we made that change in the committee amendments. We went further than the phrase in the bill and gave it meaning as to who is able to grant the status of an institution that can hold one of these letters of credit in trust. The two people again are Director of Insurance or the Securities Valuation Office of the National Association of Insurance Commissioners. Why? Because they are a well-armed set of individuals who have access to a great deal of information that's pooled through the National Association of Insurance Commissioners. For that reason, I would urge the adoption of the committee amendment and then allow Senator Conway to describe the bill and move its advancement.

PRESIDENT: Any further discussion? If not, the question is the adoption of the committee amendments. All those in favor vote aye, opposed nay. I need a little help on the committee amendments, please. Thank you. Record, Mr. Clerk, please.

CLERK: 26 ayes, 0 nays, Mr. President, on the advance...or on the adoption of the committee amendments, excuse me.