

114TH CONGRESS
1ST SESSION

S. 1561

To clarify the definition of nonadmitted insurer under the Nonadmitted and Reinsurance Reform Act of 2010, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 11, 2015

Mr. LEAHY (for himself and Mr. GRAHAM) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To clarify the definition of nonadmitted insurer under the Nonadmitted and Reinsurance Reform Act of 2010, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Captive Insurers Clari-
5 fication Act”.

6 **SEC. 2. CAPTIVE INSURERS.**

7 Section 527 of the Nonadmitted and Reinsurance Re-
8 form Act of 2010 (15 U.S.C. 8206) is amended—

1 (1) by redesignating paragraphs (4) through
2 (16) as paragraphs (5) through (17), respectively;

3 (2) by inserting after paragraph (3) the fol-
4 lowing:

5 “(4) CAPTIVE INSURANCE COMPANY.—The
6 term ‘captive insurance company’ includes any insur-
7 ance company—

8 “(A) that is wholly owned, directly or indi-
9 rectly, by a single parent company, and whose
10 primary purpose is to provide insurance to
11 cover the risks of such single parent company
12 or any affiliates of such single parent company;

13 “(B) that is wholly owned, directly or indi-
14 rectly, by a group of companies, and whose pri-
15 mary purpose is to provide insurance to cover
16 the risks of such group of companies or any af-
17 filiates of such group of companies; and

18 “(C) that is wholly owned, directly or indi-
19 rectly, by an industry, trade, or service group or
20 association, and whose primary purpose is to
21 provide insurance to cover the risks to any
22 member in such group or association or any af-
23 filiate of such member.”; and

24 (3) in paragraph (12)(B), as so redesignated—

1 (A) by striking “(B) does not include a
2 risk retention group” and inserting the fol-
3 lowing:

4 “(B) does not include—

5 “(i) a risk retention group”;

6 (B) by striking the period at the end and
7 inserting “; or”; and

8 (C) by adding at the end the following:

9 “(ii) a captive insurance company.”.

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