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113TH CONGRESS
2D SESSION

S. 2726

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

JULY 31, 2014

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

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Captive Insurers Clarification Act''.

SEC. 2. CAPTIVE INSURERS.

Section 527 of the Nonadmitted and Reinsurance Reform Act of 2010 (15 U.S.C. 8206) is amended—

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

(2) by inserting after paragraph (3) the following:

"(4) CAPTIVE INSURANCE COMPANY.—The term 'captive insurance company' includes any insurance company—

"(A) that is wholly owned, directly or indirectly, by a single parent company, and whose primary purpose is to provide insurance to cover the risks of such single parent company or any affiliates of such single parent company;

"(B) that is wholly owned, directly or indirectly, by a group of companies, and whose primary purpose is to provide insurance to cover the risks of such group of companies or any affiliates of such group of companies; and

"(C) that is wholly owned, directly or indirectly, by an industry, trade, or service group or association, and whose primary purpose is to provide insurance to cover the risks to any member in such group or association or any affiliate of such member."; and

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

(A) by striking " (B) does not include a risk retention group" and inserting the following:

"(B) does not include—

"(i) a risk retention group";

(B) by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(ii) a captive insurance company.".

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