

HCS HB 1253 -- INSURANCE (Luetkemeyer)

This substitute makes changes to the insurance laws regarding the powers and duties of liquidators, mutual credits, debt set-offs, and credits for reinsurance. The substitute clarifies that an order to liquidate an insurer does not affect the validity of any arbitration clauses in the insurer's existing contracts. The substitute repeals provisions that limit the extent to which an insurer may set off debts in cases of an insurer's liquidation, insolvency, or rehabilitation. The substitute repeals provisions clarifying that the statute supersedes the insurer's contractual terms in determining the setoff rights of any person under contract with the insurer. The substitute also repeals the sunset clause on a provision regarding payment from a reinsurer on the basis of estimated incurred but not reported losses and clarifies that expert testimony concerning these estimates may be received in evidence in any proceeding.

FISCAL NOTE: No impact on state funds in FY 2005, FY 2006, and FY 2007.