

SCS SB 1078 -- INSURANCE HOLDING COMPANIES

SPONSOR: Loudon (Luetkemeyer)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Financial Services by a vote of 20 to 0.

This substitute makes holding companies for property and casualty insurers subject to the same extraordinary dividend restrictions and requirements as holding companies for life insurers and title insurers. The substitute also clarifies net income as excluding net realized capital gains to the extent that realized capital gains exceed realized capital losses.

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

PROPOSERS: Supporters say that the bill allows insurance holding companies to shift their assets more easily to better utilize their capital. This helps the company's credit rating and makes it better able to compete with insurers in other states.

Testifying for the bill were Representative Luetkemeyer; and Missouri Insurance Coalition.

OPPOSERS: There was no opposition voiced to the committee.

Richard Smreker, Senior Legislative Analyst