



WEST VIRGINIA SECRETARY OF STATE

KRIS WARNER

ADMINISTRATIVE LAW DIVISION

eFILED

3/19/2025 11:46:57 AM

Office of West Virginia  
Secretary Of State

NOTICE OF SUNSET PROVISION EXTENSION REQUEST

AGENCY: Insurance Commission

TITLE-SERIES: 114-40

RULE TYPE: Legislative CITE STATUTORY AUTHORITY: W. Va. Code §§33-2-10 and 33-4-15a(e)

RULE NAME: 114-40 Credit for Reinsurance

PLEASE SELECT A SUNSET PROVISION OPTION:

EXTEND THE SUNSET DATE OF THE RULE.

10 REQUESTED NUMBER OF YEARS FOR EXTENSION (SUBJECT TO LRMRC REVIEW).

LET THIS RULE EXPIRE.

PLEASE INDICATE IF THIS RULE INCLUDES:

RELEVANT FEDERAL STATUTES OR REGULATIONS

INCORPORATED BY REFERENCE

PLEASE PROVIDE A BRIEF SUMMARY OF THE CONTENT OF THE RULE:

The OIC proposes extending the sunset date for 114 CSR 40, Credit for Reinsurance. During the 2020 Legislative Session, House Bill 4146 was passed which revised W.Va. Code § 33-4-15a, the Credit for Reinsurance statute, in accordance with 2019 National Association of Insurance Commissioner (NAIC) Model Law updates. The 2021 revisions to 114 CSR 40 were needed to conform the existing rule to the updated statutory provisions. More specifically, the amendments to the rule made the rule consistent with the provisions of covered agreements between the United States and the European Union/United Kingdom with respect to reinsurance collateral requirements, which was entered into by the U.S. Treasury Department in 2017 under the Dodd Frank Act authority, and were required at that time to be implemented by the states to avoid federal preemption by the Federal Insurance Office (FIO). This rule is necessary for the OIC to maintain its accreditation with the NAIC. It also ensured that state law is compliant with, but not more stringent than, federal law. The controlling statute remains unchanged from its 2020 amendment and, accordingly, the rule needs extended.

SUMMARIZE IN A CLEAR AND CONCISE MANNER THE REASONS FOR REQUESTING A SUNSET PROVISION EXTENSION:

This rule was amended in 2021 because of 2020 legislation (HB 4146). The 2020 statutory requirements regarding credit for reinsurance remain unchanged in statute and, thus, the rule requires extension.

SUMMARIZE IN A CLEAR AND CONCISE MANNER THE OVERALL ECONOMIC IMPACT OF THE RULE:

A. ECONOMIC IMPACT ON REVENUES OF STATE GOVERNMENT:

No additional impact.

B. ECONOMIC IMPACT OF THE LEGISLATIVE RULE ON THE STATE OR ITS RESIDENTS:

No additional impact.

C. FISCAL NOTE DETAIL:

Effect of Proposal	Fiscal Year		
	2025 Increase/Decrease (use "-")	2026 Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
<b>1. Estimated Total Cost</b>			
<b>Personal Services</b>			
<b>Current Expenses</b>			
<b>Repairs and Alterations</b>			
<b>Assets</b>			
<b>Other</b>			
<b>2. Estimated Total Revenues</b>			

D. EXPLANATION OF ABOVE ESTIMATES (INCLUDING LONG-RANGE EFFECT):

N/A.

**BY CHOOSING 'YES', I ATTEST THAT THE PREVIOUS STATEMENT IS TRUE AND CORRECT.**

**Yes**

**Anoop Bhasin -- By my signature, I certify that I am the person authorized to file legislative rules, in accordance with West Virginia Code §29A-3-11 and §39A-3-2.**