

Monday morning?

## Legislative Prep Worksheet – Dept. of Financial Regulation

### 1. Pro-active

- Insurance
  - i. Principle-Based Reserving (PBR) accounting formula imposed on life insurance, a National Standard is rolling out away from formulas that we should conform to
  - ii. Adopt NAIC Model Laws on Corporate Governance – Susan Donegan helped craft this national guidance, wants VT to be an early adopter, should sail through, asks for additional disclosure on the corporate governance structure of insurance companies, so more details on senior management and Board level
- \$ Position – Susan owes her Captives Division an examiner, she raided this vacancy but she really needs this position created and filled as it will help save/recover more money for the state
- Securities - MAYBE Crowd-Funding legislation – might be premature. Probably don't need it given good track record with VISBO, but crowd-funding does do cross-border, but we need to figure out if we need it. If we do it, VISBO does stay relevant and will still exist. DFR report due on this, will get to us by December, not sure yet how it will look, but will answer whether or not we need this

### 2. House-Keeping/Neutral

- ALL of these are very technical, can move through DFR technical corrections bill, one bill for each main area like they do every year (Captives, Insurance, Banking, Securities)
- Move a position to Green Mountain Care Board – DFR doesn't do it anymore, was left at DFR by accident, and move ½ of Regulation 903 into statute
- Banking Division – needs technical corrections to match statutes
- Captives – many tweaks needed due to accreditation standards and response to the market
  - i. Adopt 3 new accreditation standards: Form F, Reinsurance collateral modernization, add corporate governance standards for Risk Retention Groups to captive statute
  - ii. Allow landfill operators to use insurance and captive insurance as assurance for closure/post-closure obligations
  - iii. Misc suggestions from VCIA
- Accreditation – talking to Jim Condos, right now the process pings from DFR, to Sec. of State, back to DFR – better to streamline process or let DFR just incorporate companies directly
- Possible amendment to licensed lender statute, could be added to Jobs Bill, report due in January that may suggest changes that would liberalize this statute, it continues to be liberalized each year. Cairn Cross is very interested in this, so is Mayor Lauzon and anyone that engages in entrepreneurial lending

- Banking – Technical corrections needed
- Insurance –
  - i. Repeal 8 V.S.A. 4089b(g0) - correction to something that no longer exists
  - ii. Possible amendment to rate review authority
  - iii. Confidentiality technical correction
  - iv. Possible amendment to Surplus Lines Compact
  - v. Possible amendment to Holding Company law (state jurisdiction of group supervision)
  - vi. Bulletin Authority

### 3. Interagency

- Secretary of State collaboration on accreditation for captives

### 4. Questions

- FYI – Tim Ashe a bit hard to work with, wishy washy on DFR issues, hasn't confirmed Susan yet (ever, since she has been in the position!)
- Clare Ayer would be a welcome addition to Senate Finance
- FYI – DFR Securities Division is doing great work! Re-organized and running well.
- Is David Reynolds position still in budget?
- Is it a fee year for DFR? Want to keep fees low, can make more money from "retaliation" using other states rates.